

**A STUDY OF MICRO ENTERPRISES UNDER
SELF HELP GROUPS, WITH SPECIAL
REFERENCE TO KUDUMBASHREE MISSION
KERALA**

*Thesis submitted to the University of Calicut
for the award of the Degree of*
DOCTOR OF PHILOSOPHY IN COMMERCE

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D E C L A R A T I O N

I, Sreedharan. T. K, do hereby declare that this thesis entitled "**A Study of Micro Enterprises Under Self Help Groups, with Special Reference to Kudumbashree Mission Kerala**" is a bonafide record of the research work done by me under the guidance of Dr.V.K. Janardhanan, Reader, Department of Commerce and Management Studies, University of Calicut. I further declare that this thesis has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar title of recognition.

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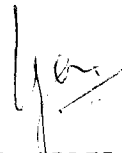
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C E R T I F I C A T E

Certified that this thesis, "**A Study of Micro Enterprises Under Self Help Groups, with Special Reference to Kudumbashree Mission Kerala**" is a bonafide record of the research work carried out by **Mr. Sreedharan. T.K.** under my supervision and guidance. No part of this has been submitted earlier for any other purpose.



Dr. V.K. JANARDHANAN

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LIST OF ABBREVIATIONS

ADS	:	Area development societies
APMACS	:	Agricultural primary marketing and credit societies
APRACA	:	Asian and pacific regional agricultural credit associations
BPL	:	Below poverty line
CBNP	:	Community based nutrition programme
CDS	:	Community development societies
CBO	:	Community based organisations
DWCRA	:	Development of women and children in rural areas
DPEP:	:	District primary educational programme
DRDA	:	District rural development agency
ILO	:	International labour organisation
IGP	:	income generating projects
IRDP	:	Integrated rural development programmes
MYDARA	:	Mysore development and resettlement agency
MFI	:	Micro finance institutions
NABARD:	:	National bank for agricultural and rural development
NHG	:	Neighbourhood groups
NGO	:	Non-governmental organisations
NBFC	:	Non-banking financial companies
NRY	:	Nehru rosgar yogana
RBI	:	Reserve bank of India
RRB	:	Regional rural banks
RMK	:	Rastriya mahila kosha
SHG	:	Self-help groups
SEWA	:	Self-employment women associations
SIDBI	:	Small industrial development bank of India
SGSY	:	Swarnajayanthi grama swarogara yogana
TRYSEM	:	Training for rural youth for self-employment
T&CS	:	Trift and credit societies
UBS	:	Urban basic services
UBSP	:	Urban basic services for poor
UNICEF	:	United Nations institution for children education fund
VIL	:	Velocity of internal lending

Dedicated to

*My father whose memories have always
been a source of my inspiration*

C O N T E N T S

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INTRODUCTION

Sreedharan. T. K “A study of micro enterprises under self help groups , with special reference to Kudumbashree mission Kerala” Thesis. Department of Commerce and Management Studies, University of Calicut, 2006

CHAPTER I

INTRODUCTION

1.1. Introduction

Unacceptable levels of poverty and the gradual feminisation of such poverty are the most daunting of all our challenges. The eradication of poverty and a special focus on women in all poverty alleviation programmes has been major strategies since seventies. Though women issues have moved center stage in our thinking and women's participation is now an inseparable part of the rhetoric and theory of planning, gender equality and gender justice are still distant dreams.

According to the latest estimation, globally 1.2 billion people live in extreme poverty, (people live on of wages of less than One dollar per day) of which 44% are in South Asia, 75% live in rural areas. In India as a result of sustained efforts aimed at poverty alleviation, despite an estimated number of over 300 million people crossing the poverty line during 1973-74 to 1993-94, official data has maintained that 37.3% of the population remains poor. A more recent estimate showed a further dip in poverty level down to 26% in the year 2000. However the sheer size of the population in the country would indicate about 260 million people still subsist below poverty line, even if we were to go by the official estimate.¹ Of the total female population in India 77% live in rural areas.² Table 1.1 exhibits the estimates of poverty in India over the years 1973-74 to 2001-2002.

Table 1.1

Estimates of poverty in India (poverty ratio in percent)

	Rural	Urban	Combined
1973-74	56.4	49	54.9
1983-84	53.1	45.2	51.3
1993-94	37.3	32.4	36
2001-2002	27.1	23.6	26.1

(Source: GOI 2003. Economic survey 2002-2003, Ministry of finance and company affairs, Economic division New Delhi 1-246+s-114)

1.2 Rural development and its significance

In the post independence period considerable thinking has been devoted by Indian planners to developing rural areas by placing substantial emphasis on promoting the social and economic status of rural people. India is the second largest country in the world in terms of population and seventh largest as regards size. India is a land of villages with nearly 627 thousand villages. Real India lies in rural India. The importance of rural development in a country like India, which is predominantly rural, need not be over emphasized. Rural development is a strategy to the economic and social life of a specific group of people, the rural poor including small and marginal farmers, tenants and landless."³

Since India is one of the largest countries of the world, and as nearly three fourth of its population lives in villages, increase in her poverty ridden millions has not only explosive national implications but also far reaching global consequences. Hence the grim challenge before the country is to alleviate poverty and massive unemployment and bring the benefits of modern technology and science to the teeming millions of rural India. The rural Indian suffers from various forms of deprivation, such as economic, social, education, health etc, normally they suffer from mal-nutrition, under nutrition due to low level of income and also inequitable distribution of productive assets. In respect of Gender related development index, India ranked 112 out of 143 countries,⁴. Except life expectancy, Indian women are behind men in respect of sex ratio, literacy rate, wage rate, share of earned income etc.

Rural development has considerable significance in India because of various social, economic and political reasons. Rural development has great social significance since it provide a composite package to solve innumerable rural problems, it educates the rural poor for a social change, better utilization of resources both human and natural, and also develop infrastructural facilities .The economic significance of rural development includes, contribution to national income through rural

agricultural production, higher level of employment and source of livelihood, solving food problems, accelerates industrial growth, develop trade both internal and international, capital formation and investment etc. Political significance include political stability in rural development which reduces the disparity between urban elite and rural poor .

1.3 Major poverty alleviation programmes

Poverty alleviation through rural development has been the main objective in our various five-year plans. In this regard various rural development programmes were launched in India, especially to provide job opportunities to raise their income

The existing major poverty alleviation programmes in India can be broadly divided in to four categories, Wage employment programmes (e.g. public works), credit based self employment programmes (IRDP, TRYSEM DW CRA, JRY, NRY etc), Special Group and Area Specific Programmes (SFDA, MFEL, DPAP) and the Public Distribution System. Most of the programmes are intended for rural poor.

It is acknowledged that in India strategies and developmental interventions lack the potential to deal with the specific Indian situation.⁵

If we look at the progress of the rural development programmes a clear conclusion one can draw that, progress of these programmes are far from satisfactory. The various government sponsored poverty alleviation programmes for improving the economic conditions of the poor have not achieved the desired result because of their poor implementation. The rapid and vast expansion of the formal credit system in the country has not brought significant benefit to the poor. The government is trying its best to fight against poverty; a lot of amount have been pumped in poverty alleviation programmes. Numerous evaluation studies of poverty alleviation programmes conducted by many researchers present critical analysis, which do not match the assessments of those administering the programmes. Most of the studies pointed out that despite floating heavy doses of credit and

extending development funds on the target groups, the per capita income and quality of life index have not increased significantly. The studies pointed out to the absence of proper marketing support system for the products of rural development programmes as a major obstacle in the process of income generation.⁶

The programmes of rural development had suffered many drawbacks, such as wrong identification of beneficiaries, inadequate assistance, defective selection of activities, corruption, lack of co-ordination between agencies for rural development, defective allocation of funds, short repayment schedule of beneficiary, absence of proper planning, inefficient monitoring, non availability of managerial skill, complicated banking procedures, poor repayment capacity of the beneficiaries, lack of basic developmental infrastructures etc. Among them the main bottleneck identified is lack of co ordination between agencies of rural development i.e. DRDA and other departments ,which caused the difficulties in the preparation of plans and development perspectives and annual action plans to reflect a balance mix of sectoral priorities based on local needs and resources available.

The govt, sponsored poverty alleviation programmes are evolved centrally and planned without participation of the local people and therefore often failed to address the needs and the requirement of the poor, Lack of participatory approach in planning and execution of these programmes result in complete failure to improve socio economic condition of the poor masses for which these are evolved.

The failure of schemes implemented by various government departments with a view to eradicate poverty both in rural and urban segments, clarifies the inevitability to ensure the participation of the beneficiaries while implementing such welfare schemes .In a society poverty primarily affects women and children, there requires schemes, programmes for the upliftment of these marginal sections, especially rural women.

1.4 Rural Development and women

Participation of women in economic activities is necessary not only from the survival of family but essential from the objective of raising the status of women in large segment of society. The low status of women in large segment of the society cannot be raised without opening up opportunities of independent employment and income for them. Table 1.2 gives the employment of women in the organized and unorganized sector in India.

Table 1.2

Employment of women in the organized and unorganized sector in India (in lakhs)

Year	Organized sector		Unorganized sector	
	Total	Female	Total	Female
1971	174.9	19.3(11.03%)	1630.21	294.15(18.04%)
1981	228.79	27.93(12.21%)	2053.34	427.59(20.82%)
1991	267.34	37.81(14.14%)	2873.87	859.86(29.92%)

Source: Director General of employment and training, Ministry of labour GOI New Delhi.

It is seen from the table that the female employment rate in organized sector is much less than that of unorganized sector. The percentage of female employed in unorganized sector is 29.92% in 1991, but it is only 14.14% in organized sector. This shows that large segments of female population in India inhabit in unorganized sector for their subsistence.

During eighties a special programme DWCRA (a substitute of IRDP), was launched for rural women and children and group approach was made mandatory in the programme, but these practices were also not fruitful. It was observed from the studies evaluating DWCRA that the poorest women are usually left out from groups and the programme tends to serve those who are better off among the poor or sometimes non-poorer groups of women. The major reasons identified for the failures of DWCRA units were, lack of markets, inadequate training, and non-availability of cheap inputs.

Credit is one of the most crucial inputs in rural development. Access to institutional credit for the rural poor is a very important precondition to any poverty alleviation strategy. From the early 1970's women's movements in a number of countries identified the absence of accessible credit as a major constraint on women's earning capacity. Usually credit institutions provide finance for productive purposes but sometimes poor needs credit for consumption or for emergency purposes, which many a time may not be catered by formal credit system or government sponsor or poverty alleviation schemes. In rural India it can be seen that the poorer sections of the society and destitute cannot avail of the credit from the banks and other formal financial institutions due to their inability to deposit collateral security and mortgage property. In view of the inadequacies of the rural formal financial system in catering the credit needs of the poor, Planners, Development financial institutions and NGO's have thought of an alternative rural credit system, which led to the emergence of micro finance or micro credit system as an alternative credit system for the poor.

1.5 Micro Finance

The development experiences of the 1970's and 1980's have raised more and more critical questions concerning a growing awareness of limits of the existing development models about the dilemma of the widening gap between the very few rich and the vast majority of poor in the developing countries. This has given momentum to search for more adequate and appropriate strategies for improving the living conditions of the poor population and started a good deal of discussions about the systematic alternative developmental strategies. It was observed by quite a number of development planners, in national and international perspectives that there was a need for new and innovative approach for a more equal and just development according to the real needs and wishes of the poor population on the basis of the local needs and demands not only for the successful implementation of proposed development projects but also for their lasting effects. The inability of

credit institutions to deal with the credit requirements of the poor effectively has led to the emergence of micro finance as an alternative credit system for the poor. Over the last two decades micro finance (including credit, savings and insurance services) has taken center stage in international development work as a strategy to address simultaneously two issues prioritised by development agencies and donors, the Alleviation of poverty, and the Empowerment of women.

The concept, Micro finance refers to the provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi urban or urban areas to enable them to raise their income levels and improve their standard of living. Its evolution is based on the concern of all the developing countries for empowerment of the poor and the alleviation of poverty. Micro finance programmes have in the recent past become one of the more promising ways to use scarce development funds to achieve the objective of poverty alleviation.

Micro finance has been promoted as an entry point in the context of a wider strategy for women's economic and social empowerment. Empowerment of women is a crucial factor in the eradication of poverty, as women are the contributors of the country in combating poverty through both remunerative and non-remunerative work at home, in the community and at the work place⁷.

1.6 Self Help Groups

Micro finance programme for the women are increasingly lauded by development agencies as an effective anti poverty intervention, with a positive impact on economic growth and a range of social development indicators. A diverse range of women's organisations including self help groups (SHGs) have developed in this context conveying a multitude of issues and purposes. A self help group is a small economically homogenous group of rural poor voluntarily coming together to save small amount regularly and mutually contribute to a common fund to meet their emergency needs and the members co operate with each other based on self help and mutual help for achieving common ends.

In recent years Self help groups have become significant institutions for rural development. Empowerment of women through formation of the SHGs has become a reality and recorded substantive success in many spheres of the rural sector. The concept of Self help groups gained significance, especially after 1976 when Prof. Mohammed Yunus of Bangladesh begun experimenting with micro credit and women SHGs. In such a period, the concept was found suitable for India and Nabard took the initiative by promoting SHGs in 1987. SHG is a form of co-operative with the difference is that the later is a formal organisation and the formal is informal with small number of homogenous groups especially rural women folks The basic objective of the self-help group scheme is to promote participation as a means of increasing efficiency, decrease costs of service delivery, integrate group activities in market, and promote disadvantaged group in decision making.⁸

1.7 Micro Finance Institutions

A fundamental shift in development policy has occurred in recent years towards promoting entrepreneurship among the poor especially women in developing countries. This change is reflected in the proliferation of micro finance institutions in virtually all major areas of the developing world. Micro finance organisation is an organisation that offers financial services to the very poor. Most micro finance institutions are Non- governmental organizations committed to assist low income population with in micro finance industry, There are now 1600 major MFI's working in a coordinated effort to reach 100 million of the world's poorest households with access of capital by the year 2005. Reports from 1065 of these institutions reveal that there are now at least 23.5 million households served by MFI world wide including 18.4million in Asia, 3.8 million in Africa and 1.1million in Latin America.⁹

Micro finance intermediaries can be identified based on their span of activity, sources of funds, route through which it reaches the poor, or the mode of delivery. However it seems that one of the most common practices and approaches prevailed is provide credit through self-help

groups. The approach is to make self help groups (SHGs) the main focal point to route all services. Experiences in Bangladesh has proved that enterprise development and large scale employment generation can be promoted in remote rural areas and many of the poor women who are in wage employment sectors have become entrepreneurs due to a wide variety of services that they can access through the micro finance system.

One of the major objective of initiating SHGs for women especially the poor was to help them take up and manage on their own production activities which could supplement their household income and employment leading to improved living standards, At the same time these IGP's were also expected to serve as instruments which can bring about economic awareness and empowerment among the women members.

1.8 Different Innovations

Over the past few decades several informal and innovative approaches in financing the poor in a sustainable manner have been experimented in many developing countries. Efforts of Bank Rakyat Indonesia (BRI) in Indonesia, bank of Agriculture and Agriculture Co operation (BAAC) in Tailand, Gramin bank and Bangladesh rural advancement committee (BRAC) of Bangladesh, Amanah ikhitar Malaysia (AIM) of Malaysia and Agricultural Bank of Nepal (ABDN) are some of the examples which have yielded encouraging results in empowering the poor in developing countries. Encouraged by the experiences of these countries, the NABARD facilitated the Self-help group bank linkage programme in1992, which enabled the SHGs to partake of financial assistance from institutional sources. Micro finance becomes an increasingly widespread tool for fostering economic growth the establishment of viable credit relationships and strong linkages. This case provides insight into an innovative, yet revolutionary, approach towards development of the rural poor, especially women empowerment and rural upliftment, as propounded and practiced by Nabard.

Micro enterprise programmes target women because of many barriers they face in setting up businesses and obtaining finance. These include the lack of acceptable collateral, low self confidence, few resources for business, lack of experience and training, illiteracy heavy family responsibilities, unmarried status, or discouragement from husbands.¹⁰

In India the decade of the 90's has seen a remarkable growth of micro finance institutions. The efforts and the achievements of institutions like SEWA, DHAN, MYDARA, BASIX.PRADAN.etc redefined the role of NGOs and MFIs in addressing poverty in India.

1.9 Kudumbashree Mission

In this context the concept micro finance through self-help group strategy and the micro enterprise development in Kerala gain much importance. The main agency in Kerala practising micro finance through self help group strategy is the "Kudumbashree mission." The Kerala government under the name "Kudumbashree mission", a process oriented project has been implemented through out the state which lays great emphasis on the qualitative and socio economic development of women. It is a unique programme based on the lessons learnt from CBNP project, which was implemented in all the urban areas in the state along within all the panchayaths in the district Malappuram since 1994. The project is operated under the ministry of local administration. The vision of the project announced in 1998 and commenced operation in 1999. The project has completed its six years of operation .The project is intended to attain its objectives through a network of self help groups /neighbourhood groups formed under community based organizations with the support of Kudumbashree mission and local self governments. Micro finance, micro enterprise and women empowerment are the main slogans of the mission.

1.10 Types of Enterprises

As per the existing norms, enterprises are classified in to large, medium, small and tiny sectors, depending on capital investment. Large

enterprises are having a capital investment of more than 500 millions, 30-500 millions are considered as medium, 5 million to 30 million are classified as small, and enterprise with capital investment between .5 million to 5 million are considered as tiny sector.

1.11 Micro Enterprises

Micro enterprise is considered as a new concept. Any legitimate economic activity taken up with a view to increasing income should be considered as a micro enterprise. Micro enterprises are informal or unorganized sector enterprises, is that they made their appearance not so much in response to investment opportunities, but to create one's own employment according to their needs. Hence the so-called enterprises in the unorganized sector are not really enterprises in the conventional sense of the word. It consists of small-scale units engaged in production and distribution of goods and services with the primary objective of generating employment and income to their participants, notwithstanding the constraints on capital, both physical and human, and know how. The ILO has given an operational definition to the informal sector enterprises as "small scale self employment activities, with or without hired workers, typically operating with a low level of organisation technology with the primary objective of generating employment and income for their participants; to the extent these activities are carried out without formal approval from the authorities and escape the administrative machinery responsible for enforcing tax and minimum wage legislation and other similar instruments concerning fiscal matters and conditions of work ,they are concealed."¹¹

Kudumbashree mission defines a micro enterprise "As an enterprise having capital investment ranging from .005 million to .5 million and which provides an entrepreneur an opportunity to earn at least .015million per month and its turnover .1 million to .5 million per year, even the poor should be able to manage the day today affairs in a planned manner."

1.12 Operational Definition for Micro Enterprises

Following to these definitions the researcher made an operational definition to micro enterprises to suit in the present context as, any income generating activity owned, operated and managed by women members of the NHGs on group basis preferably a group less than fifteen, with an investment ranging from Rs.5000 to Rs.5 Lakhs and should have a potential to generate at least Rs.1500 per member per month by way of wages or profit or both together, with an expectation of turnover ranging from Rs 1 lakh to Rs 5 lakhs per year".

1.13 Relevance of the Study

In developing countries since majority of rural population, especially women are below poverty, the promotion of micro enterprises or income generating activities is perceived as a powerful medium to ameliorate several socio-economic problems, such as reduction in poverty, provision of goods and services appropriate to the local needs, redistribution of wealth and opportunities in the community in general. Income generating activities can play an important role in improving the quality of life, it helps to smoothen the seasonal fluctuations in household income., also help in generating additional income for families. Further, it is ideal for many poor women who prefer part -time employment. Most women confirming to the conventional and traditional roles accept domestic responsibilities as mothers and wives, micro enterprises facilitate women to have flexible working hours. The women folk possesses traditional skills, which could be utilised properly by upgrading skills through training as well as extending/providing other support services like credit, marketing .By doing so, not only they could be able to utilise their spare time but also poverty alleviation will be the outcome due to the increased socio-economic status. It also trains them to acquire entrepreneurial ability and at the same time obtain economic independence. Development of income generating activities can help to create immediate employment opportunities involving a number of women at low investment level. Besides it provides for full utilisation of

capital and also reduce the wastage of human resources particularly women.

In Kerala the Kudumbashree mission seeks to achieve poverty reduction in the rural and urban areas through the promotion of income generating activities for poor women.

Even though Kerala ranks high on indicators of social welfare, however it has not experienced similar levels of progress economically. The average annual per capita income is one of the lowest in the state, labour force participation is one of the lowest (32.%). If we take into consideration all workers (main and marginal) the female work participation in Kerala declined from 16.61% in 1981 to 15.28% in 2001. Indicators of women's economic role in Kerala shows a less favorable picture. Rate of female employment have been low in general. It is suggested that gender discrimination in labour market is a factor contributing to low level of economic participation among women in Kerala. Moreover there has been a tendency for feminisation of poverty and the number of female-headed households has been increasing sharply.

Several studies have been conducted on large, medium and small-scale enterprises in Kerala, but no study so far made related with micro enterprises of women groups. So the study of micro enterprises under Kudumbashree mission has relevance.

1.14 Statement of Problem

Since a long term various governmental departments have been implementing different schemes with a view to eradicate poverty both in rural and urban segments. But lot of studies made in this respect has come to a conclusion that the positive outcomes of such schemes not yet benefited the deserving beneficiaries. This clarifies the inevitability to ensure the participation of the beneficiaries while implementing such welfare schemes. In a society poverty primarily affects women and

children, there requires schemes and programmes for the upliftment of these marginal sectors especially women.

The participation of women in economic activities is often considered as an important factor in the economic and social empowerment of women. Not only can employment be a source of economic independence, but it also provides a sense of self worth. Women's labour force participation out side home exposes them to the world out side the household and kin group.

Duly recognising the importance and involvement of women in participatory model of development, the government has taken up the theme of women empowerment as one of the main agenda to tackle poverty and many socio- economic issues. With over 700 million women living in poverty globally, micro finance programming is seen as an essential tool for poverty alleviation .In recent years, micro finance programmes have been used not only as a tool for economic upliftment but also an effective way to meet women's practical and strategic needs.

In India the decade of the 90's has seen a remarkable growth of micro finance institutions. Micro finance has emerged as a powerful instrument for creating access to adequate and timely credit to the poor especially women .The most critical and admirable aspect of Indian micro finance is the dominant role of public sector banks through the SHG-bank linkage programme. The efforts and achievements of SEWA, DHAN, SHARE, BASIX, MYRADA PRADAN etc redefined the role of NGOs and MFIs in addressing poverty in India.

Economic independence is treated as an effective tool to escape from the clutches of poverty of the rural folk, especially women. This is possible by setting up of sustainable income generating operations or micro enterprises. Though micro enterprises are not a panacea for the chronic problems of unemployment and poverty, yet micro enterprise promotion is a viable and effective strategy for achieving significant gains in incomes and assets of the poor and marginalised poor.

In Kerala, Kudumbashree mission, a state government sponsored poverty eradication mission, focusing attention on women empowerment through various operations, views micro enterprise development as an opportunity for providing gainful employment to the people below poverty line and thereby improving income and living standards through which they can attain social and economic empowerment. The Kudumbashree mission Kerala targets the poor women and assist them in establishing micro enterprises. The women entrepreneurs are emerging in various fields both conventional and innovative. In this study it is proposed to analyse the various aspects of micro enterprises set up by women groups under Kudumbashree mission.

1.15 Objectives of the study

Against this background the following objectives are set for the purpose of the study.

1. To study the pattern and growth of Kudumbashree mission Kerala.
2. To assess the socio, economic profile of women micro entrepreneurs under Kudumbashree mission.
3. To examine the perceptions of women micro entrepreneurs regarding, motivations, reasons for selection of particular activity, and the role of Kudumbashree mission for their micro enterprise development.
4. To study the dropouts from the groups, district wise, place of domicile wise. education wise and nature of activity wise.
5. To study the extent of social empowerment to women micro entrepreneurs through micro enterprise
6. To study the extent of economic empowerment to women micro entrepreneurs through micro enterprise.
7. To examine and analyse the problems faced by women micro entrepreneurs.
8. To make suitable suggestions and recommendations on the basis of the findings of the study.

On the basis of the above objectives the following hypothesis have been formulated and tested.

1. The motivational factors of women micro entrepreneurs are independent of district, place of domicile, nature of activity .age and educational level of women micro entrepreneurs.
2. Micro enterprises development do not leads to social empowerment of women micro entrepreneurs.
3. The extent of social empowerment of micro entrepreneurs is independent of, district, place of domicile, marital status, education and nature of activity of them.
4. Micro enterprise development do not leads to economic empowerment of women micro entrepreneurs.
5. The extent of economic empowerment is independent of districts, place of domicile and nature of activity of them.

1.16 Methodology

The study is designed as a descriptive one based on primary and secondary data.

1.16.1 Secondary Data

Secondary data have been collected from the following sources.

1. Annual reports of Kudumbashree mission Kerala for different years.
2. Annual reports of NABARD for various years.
3. Kerala State planning Board Economic review for various years.
4. RBI bulletins.
5. Indian Journal of agricultural Economics.
6. Economic and political weekly.
7. Vikalpa
8. Kurushathara.
9. Yojana.
10. Kudumbashree Magazines
11. Census India reports etc

1.16.2 Primary data

The study is mainly based on primary data because of the non-availability of secondary data in proper form. Primary data have been collected through a schedule constructed for the purpose, from the women micro entrepreneurs who undertake different types of micro enterprises on group basis. The schedule was served on a few women micro entrepreneurs in Malappuram district in the month September 2005 and was modified in the light of suggestions received. The schedule in final shape as given (Appendix-1), then administered on the selected 472 respondents. A good deal of special information on Kudumbashree mission has been collected through direct personal interviews with District coordinators, project officers and community organizers of Kudumbashree mission and other experts and scholars in this area.

1.16.3 Sample design

The study was confined to the state of Kerala. The whole state is divided into two regions, South and north. From each region, a district was selected on a random basis. The districts selected were Allappuzha and Kozhikode. The district Malappuram was also included in the study purposefully since it is the district where the operations of the Kudumbashree mission has a long history as CBNP even before the setting up of Kudumbashree mission. So altogether there are three districts.

In the second stage, lists of group micro enterprise units were collected personally from the district mission offices of the three selected districts. It was seen that majority of the units were of recent origin and were in initial stages of operation. So from the list, group micro enterprise units, which completed two years of operation at the time of survey, were identified. There were 371 units in urban areas and 886 units in rural areas in the three districts, a total of 1257 units. From these identified units, 118 units out of which, 45 units from urban areas (15 units each from the three districts) and 73 units (25 units from Kozhikode and Malappuram and 23 units from Allappuzha) were selected

on random basis which constitute 10.65 % of the population. Then four women entrepreneurs from each unit have been taken from the selected units on random basis. So altogether there are 472 sample respondents.

Table 1.3

Sample Frame

	No of units identified		No of units selected		No of samples	
	Urban					
Kozhikode	Urban	164	15	40	60	160
	Rural	322	25		100	
Allappuzha	Urban	142	15	38	60	152
	Rural	314	23		92	
Malappuram	Urban	65	15	40	60	160
	Rural	250	25		100	
Total		1257	118 (10.65%)		472	

1.16.4 Tools of Analysis

Analysis has been done by using techniques such as percentages, averages, chi square tests, Analysis of Variance tests.

The first part of the schedule evaluates the socio-cultural, educational, family background of the women micro entrepreneurs, and their perceptions regarding various issues like motivation, reasons for selecting the particular activity, and the role of Kudumbashree mission for their micro enterprise development, drop outs from the group. The second part of the schedule is devoted to questions, which indirectly measure the degree of social and economic empowerment element in women micro entrepreneur. The third part deals with the main problems of women micro entrepreneurs.

For measuring the extent of social empowerment, five point likert scale was used to quantify the qualitative information. Mean scores in

percentage terms is the main tool used to measure the extent of social empowerment. For this purpose the following grading scales has been applied.

- Percentage of means score less than 33.33-Low level of social empowerment.
- Mean scores 33.33 to 66.67-percentage moderate level of social empowerment.
- Mean score above 66.67percentage-high level of social empowerment.

For measuring the extent of economic empowerment, averages and percentages were used. ANOVA techniques were used to measure the variations.

All the analysis have been done with the help of SPSS statistical packages.

1.16.5 Main variables used

Purpose	Name of the variables
Motivation	1.Compulsion factors 2.Ambition factors 3.Encouraging factors
Reasons for selection of the activity	1 Advices by Resource persons 2 Marketing opportunities 3 Prior experience 4 Low cost technology 5 Low capital investment 6 Availability of raw materials
Drop outs	1 No of members in the beginning 2 No of members at the time of survey
Training	1 Participation in training, before 2 Participation in training, after
Role of Kudumbashree mission	1 Supervision 2 Escort service

Social empowerment	<ul style="list-style-type: none"> 3 Product selection 4 Marketing support 5 Financial support 6 Training support
Economic empowerment	<ul style="list-style-type: none"> 1 Decision making role 2 Social status 3 Mobility 4 Participation in social development 5 Group solidarity 6 Communication 7 Awareness 8 Leadership
Problems	<p>Income</p> <ul style="list-style-type: none"> 1 Socio personal 2 Financial 3 Marketing 4 Production 5 Management/administration 6 Miscellaneous

1.17 Period of study

The study covers a period of four years. The survey was conducted during the year 2005. The secondary data were collected for a period of seven years, from 1998 to 2005. Whenever found necessary, data relating to prior periods were also considered.

1.18 Scope of the Study

The present study analyses the various aspects of women micro entrepreneurs who undertake group micro enterprises under Kudumbashree mission Kerala, in the context of new development approach. The study, it is hoped, will help us in understanding the socio economic profile of women micro entrepreneurs under the Kudumbashree mission in the state as well as the extent of their social and economic empowerment through the setting up of micro enterprises, and the problems they faced.

1.19 Limitations of the Study

As limitations are common to almost all the studies in social survey, the present study is also subject to certain limitations. Most of the primary data collected from the respondents are based on the recall method and therefore subject to normal recall error. Some of the respondents were reluctant to reveal all the information required as per the schedule because of their low profile. Most of the women micro entrepreneurs were not having the habit of maintaining proper accounts and so they found it difficult to answer the schedule. Hence care has been taken to see that the data collected are not biased as far as possible. Since sample respondents were 472 from Kerala state, the conclusions may be applicable to the Kerala situation and generalization of conclusions may not be possible.

1.20 Review of Literature

The terms 'self help groups' and 'micro enterprises under self help groups' gained popular in Kerala only recently. With reference to Kudumbashree mission micro enterprises, no proper study has been made so far. But there are lot of studies related with self helps groups, micro finance and empowerment of women, micro enterprises and empowerment, motivational factors etc. In this study a review is made relating to the self help groups, micro finance, and micro enterprises and empowerment social and economic and motivation. The literature under consideration is grouped under five headings, namely women micro enterprises, self help groups, micro finance, social and economic empowerment and motivations.

1.20.1 Women Micro Enterprises

Haq (1984)¹² documented the experience of sustainable agriculture for developmental project in a village near Bongra in Bangladesh. The project was initiated in 1976 with the objective of organizing groups of small farmers and landless labourers around certain economic activities through the provision of credit facilities. It was

observed that all the group members were able to increase their income over the years, increase employment opportunities, get better wages and attain better utilisation of existing resources, leading to improvement in standard of living.

Panadikan and Surekha (1987)¹³ suggested that self-employed women could contribute substantially to economic development. Self employment helps a women adjust her work schedule and household work better .To make self-employment schemes economically viable women need training, organization and simple credit and marketing facilities, and co-operation and encouragement from men at all levels. Training programmes should look beyond traditional industry to the new areas opened up by modern technology.

Berger M marguerite (1987)¹⁴ pointed out that credit can be targeted in several ways to achieve the objectives of poverty alleviation through employment and income generation especially for poor women. First investment may be directed towards labour intensive industries that are likely to create jobs for women. Second credit can be used to create forward and backward linkage to income generating activities of women in the formal sector, third option is to direct credit to business that transfer women's household responsibilities to the market and relieve women of some of their domestic burdens at a reasonable cost even if these business are not owned and operated by women. Finally loans can be granted directly to individual micro enterprises that are owned by women creating jobs for women and allowing them to improve the productivity and raise their own income.

Pawar (1990)¹⁵ found that small entrepreneurs tended to keep the unit size small because of poor availability of capital, limited market, scarce raw materials, lack of managerial skills,.

Vinze (1992)¹⁶ in a study of women entrepreneurs in Delhi has brought out that entrepreneurship helps women in improving their position not only in their family but also in the social environment where people treat them with respect. In fact the best non-controversial way to

empower women rich or poor is to inculcate them the spirit of entrepreneurship. In other words, for the emancipation of women and development of the society, entrepreneurship is very effective means.

Parikh (1993)¹⁷ opines that, regarding credit based self-employment programmes group lending is more successful in targeting than lending for individual.

Breen (1995)¹⁸ has examined financial and family issues by taking a sample of 211 female entrepreneurs from Australia and the study highlights that female business owners faced the problem of getting finance and started business with low initial capital. On the family front women entrepreneurs faced the problem of supervision and care for sick children.

Helen Pickering (et al) (1996)¹⁹ in a study of women's income generating groups and individual women entrepreneurs in Uganda concluded that the individual women were found to be more economically successful than the groups. The study compared the economic success of eight women's income generating groups and twelve women entrepreneurs in rural southwest Uganda. The individual women were found to be economically more productive than the groups. They argue that this is due to the groups being hindered by bureaucratic procedures and the necessity of maintaining social relationships.

In a study David J Lewis (1996)²⁰ pointed out that supporting micro enterprises through Ngo,s has come to be seen as an important approach for generating local employment and raising incomes. The case of Grameen bank in Bangladesh has been extremely influential in demonstrating the potential of credit provision to small-scale micro enterprises to reduce poverty.

Jaitly Jaya (1997)²¹ pointed out that rural entrepreneurship development by women on group or co-operative basis is more effective.

Subharao (et.al) (1997)²² in their study they pointed out that successful self employment programmes should have the following characteristics,

- (1) Organizing beneficiaries into groups and incorporating incentives to both borrowers and lenders in case of repayment.
- (2) Encourage saving behavior among the beneficiaries.
- (3) Avoid targeting based on mean tests designing programmes to promote self-selection
- (4) Reducing transaction costs.
- (5) Not subsidizing interest rates.

Srivasthava (1999)²³ in a case study he suggested that in India were low capital intensive small scale industrial enterprises have demonstrated a considerable potential for individual output, employment generation and exports, women's are playing an important role.

In their study, Punitha et al (1999)²⁴ examined the problems and constraints faced by women entrepreneurs in the Pondicherry region. A sample of 120 female entrepreneurs were personally interviewed during the period of July 1999, out of which 42 belong to rural and 78 urban. The major problem faced by rural women entrepreneurs is competition from better quality products and marketing problems. The problems of urban entrepreneurs are apart from the competition from better quality goods, is the difficulty of getting loans. The least problem faced by both rural and urban women entrepreneurs are ignorance about schemes, distance from market and ignorance about agency and institutions.

Manimekalai (et.al) 2001,²⁵ makes an attempts to study the socio-economic back ground of SHG women in rural micro enterprises, examine the factors which have motivated the women to become SHG members and eventually as entrepreneurs, analysis the nature of economic activities, and performance in terms of growth indicators such as investment, turnover, employment capacity utilization, sources of finance, and supplementary finance, marketing and other related aspects and identify the problems faced by SHG women in running the enterprise

and suggest policy measures. The study reported significant difference between the mean performance of entrepreneurs based on their age, community education and previous experience. Among the problems faced by the SHG women in running their enterprise lack of finance reported to be a serious problem, in addition to non-availability of raw materials, lack of infrastructural facilities including marketing, lack of support from family members in running the enterprise. The study also revealed the occupational background of the husband influenced the women entrepreneurs enter in to business ventures. The provision of micro finance by the NGO to women SHG,s have helped the groups to achieve a measure of economic and social empowerment. It has developed a sense of leadership, organizational skill, management of various activities of a business.

NIRD (2001)²⁶ stated that linking up of micro enterprises and micro credit through self-help groups can become financially self-sustaining. Micro enterprises sector is the sector for future, in any strategy for poverty alleviation.

Barbara and Mahantha (2001)²⁷ pointed out that before joining SHG about 85% of the beneficiaries being house wives had earned no income, but after receiving loan about 30% of the sample members have started income generating activities of their own and earning an income between Rs 15 to 30 per day. About 15% of the sample crossed the poverty line.

In their study Surendra P Singh (et al) (2001)²⁸ revealed that business operated by female entrepreneurs appear to be concentrated in more traditional and less dynamic markets than business operated by men. Female businesses were concentrated in low-income informal sectors, where prospects of growth were limited. Employment growth rate of female entrepreneurs were, for most part significantly lower than those of men.

Lakshanan (2001)²⁹ in a study in TN revealed that this type of shg is really a boom in rural areas, which gives financial autonomy to the

rural women and make them economically independent. Among the problems the main problem faced by the micro entrepreneurs, is the high cost of raw materials.

Planning Commission (2001)³⁰ indicates that micro enterprises are the important source of income and employment for a significant proportion of rural poor, Micro enterprise sub sector accounts for 16% of employment of all main workers. The relationship between micro enterprises and poverty reduction is coming up for serious consideration among the policy makers and developmental programme implementers.

Bruce Wydick (2002)³¹ in his work to review the progress of 239 borrowers in a Guatemalan micro finance intermediaries from 1994 to 1999, showed that while access of credit from the programme initially fostered rapid enterprise growth for most borrowers, diminishing returns to enterprises significantly limiting their long run growth. Gender differences were also significant among credit programme participants, with female participants displaying lower rate of programme dropouts, higher rate of employment generation and greater enterprise stability.

Dhameja (2002)³² in his research study on 'Women enterprises, opportunities, performance and problems, conducted on 175 women entrepreneurs of Punjab, Hariyana and Union territory of Chandigarh found a mixed reaction of women entrepreneurs towards support agencies. Majority of women entrepreneurs agreed on the various statements such as lack of co ordination between support agencies, non availability of timely assistance and the improper motivational role in discharging duties and were disagreed on various other statements relating to support agencies like gender bias etc. The overall response of women entrepreneurs in the study further highlights that despite on overall level of dissatisfaction with the functioning of support agencies, majority of respondents were appreciation of the important role of these agencies in the establishment of enterprises.

Anand S Jaya (2002)³³ highlighted individual activity is better in the initial stages, until the group attains sufficient maturity and confidence in taking up group enterprises

• Pandian Punithavathy and Eswaran R (2004)³⁴ in a study of a sample of 350 women from ten blocks of Maduri district of TN whereas NGO'S are working has been chosen at random for the purpose of the study. The study concluded that there is a relationship between the nature of micro enterprises and the extent of borrowing. Another finding of the study was literacy of the entrepreneur influence the nature of enterprise. They finally concluded that micro entrepreneurs are the new streams of entrepreneurs who help to solve the problem of rural poverty. Creation of self employment and earning a livelihood make them to venture into micro enterprises .The success of these micro enterprises depend on the further support system, the society and the govt are willing to provide for them.

Kannan (et al) (2004)³⁵, made an attempt to analyses the significance of informal women entrepreneurs in generating income for their families and the major findings of the study are, women entrepreneurs depend upon the family background and support for involvement in entrepreneurship, The major reason for involvement in informal trade is the abject of poverty in their families .In rural India women turns to self employment and entrepreneurship as a means of earning for livelihood. The study has conducted in five villages around Tuticorn town.

Peggy Ntseane (2004)³⁶ states that, business success for rural women in Botswana is specific, to the socio cultural context. By examining the prevalent concepts, it is seen that cultural values frame successful business strategies. It is concluded that for Botswana women engaged in small business non-competitive networks collective management strategies and informal cross border trade are the pillars of sustainable business success.

Mohammed Sheik (et al) (2004)³⁷ suggested that in the rural context 'women's control over ownership of land can play an important role not only in economic betterment but also in terms of social and political empowerment as land is the symbol of political power and social status. Micro credit programmes have to be visualized in the context of new global economic order in liberalization globalisation and privatisation policies which have led to job losses in the formal sector' decline in social sector spending and growing unemployment .In this scenario the last option left for poor women is self-employment 'which micro credit aims to promote. He concluded that since the efficiency of micro credit programme is not independent of other developmental interventions, it could at best be one of the components of a wider developmental agenda.

1.20.2 Self help groups

Kundu (1985)³⁸ described SHg's as an organization wherein the members united on the basis of common interest to improve their economic and social conditions in order to be better able to pursue their paramount long-term aims.

Yaron Jacob (1992)³⁹ opined that small size of groups /socio economic homogeneity of members, participation and sense of affiliation to the group are crucial in determining the success of groups.

Hunter (et al) (1992)⁴⁰ found that the factors such as co-operative decision making, open expression of feelings, punctuality, attendance in all group meetings, honesty, commitment to agreements, expression of acknowledgement, congruence between speaking and action, accountability, participation and autonomy are the determinants of effective functioning of groups.

Rajasekaran (1993)⁴¹ reported that the success of Shg's is due to,

1. Homogenous group
2. Rules and regulations are discussed and decided upon by the group.

3. Size of SHG should be small to allow members to participate effectively in democratic decision-making.

In a work Gerber (1994)⁴² observed that Shg passes through a standard sequence of four stages. They are forming, storming norming and performing.

- 1 Forming – This is the period when habits of coming together sitting and meeting are established .In this stage suspicion, fear and anxiety of members about the groups are discussed and dealt with. Members are ' testing the waters' to determine what type of behavior are acceptable.

- 2 Storming – In this stage conflicts between individual interest and group interest surface and are dealt with and leadership starts emerging, procedures rules and roles are established for reconciling interest and resolving various problems.

- 3 Norming – In this stage trust among members develop and the groups become a cohesive unit, which leads to the emergence of individual, and group empowerment.

- 4 Performing – The groups become operational and start performing various group functions that benefited its members.

Katar Singh (et al) (1995)⁴³ made an attempt to evaluate and predicted the following factors emerge as having substantial impact on group formation and sustainability,

- 1 Some felt need for group formation and identification with the objective of group formation.
- 2 Some sort of homogeneity among the group members.
- 3 Feeling of solidarity among the group members.
- 4 Existence and evolutions of bylaws, rules and regulations and their enforcement by members themselves.
- 5 Participation of all members and democracy in group functioning.
- 6 Quality of leadership and the procedures for selection of leaders.

- 7 Substantial net benefits from collective action and
- 8 Transparency in operation and functioning of groups.

Prakash Bakshi (1995)⁴⁴ tried to evaluate how the programme called urban basic services for poor (UBSP), which was implemented in 1986-87 in Allappuzha is converted in to SHG concept for providing micro credit to women. Unless women are able to improve the financial position, add a little to their existing incomes and find means to meet situations which forced them into moneylenders trap, their will be no lasting improvements in their lives. It was this realization that led to the formation of informal neighbourhood groups in Allappuzha

Dillon (1995)⁴⁵ concluded that voluntary organizations could play a crucial role in rural development by supplementing govt efforts as they are close to the minds and the hearts of the rural people. They have their roots in the people and can respond to the needs and aspirations of the community very effectively. They can experiment new approaches to rural development.

Dwaraki (et al) (1996)⁴⁶ stated that the co-operative philosophy of shg's through mutual help, which mostly remained on paper, could be seen operating in a more or less full-fledged manner in SHGs.

Sweta (1996)⁴⁷ opined that Ngo's with flexibility in the operations and great sensitivity to the needs of the people at the local level could provide effective linkages between the public sector agencies and the beneficiaries. These organizations are able to secure pubic aid and support in the non-formal building system.

Remasha (1996)⁴⁸ found a close relationship between size and performance of group, Group discipline and cohesion were indirectly related with group size.

Kotaiah (1997)⁴⁹ while examining the policy on institutional credit to generate employment and marketing skills among rural youth in Asia pacific regions, noted that SHG -bank linkage programme instituted by Nabard with active partnership of Ngo's, aimed at enhancing the

coverage of rural poor under the institutional credit, has focused on poverty alleviation and empowerment.

Gangrade (1997)⁵⁰ concludes that the functioning of Ngo's has been highly local and only a limited fraction of the population comes under their coverage. Sharing the experience and knowledge gathered through micro level action needs to be emulated elsewhere. The efforts of the Ngo's steered towards this direction will definitely have a positive impact on the society.

Meharotra (1997)⁵¹ sharing the SBI's experience in linkage banking observed that the experience was encouraging and opined that Shg may eventually be the only viable route for rural lending, as transaction cost would get reduced and recovery would improve, the linkage programme is an innovative method of reaching to the poor.

Sreelatha (et al) (1997)⁵² in the study they opined that the reasons for sustainability of SHG's under CDS are,

- 1 CDS being a formally registered society had institutionalized the empowerment process.
- 2 CDS bylaws empower the society to approach and receive funds and resources directly from any source.
- 3 CDS is linked to the formal Government and local body system at the local and state levels and to national organizations such as Nabard.
- 4 By being people centered and women centered the cds has generated a remarkable level of enthusiasm, energy and determination.
- 5 CDS has an inbuilt mechanism for beneficiary contribution to activities. The initial and annual membership fees, savings under the thrift and credit society and the stipulation of beneficiary share for income generating schemes resulted in the sizeable self generated fund for CDS that can also ensure sustainability.

6 A great emphasis has been placed on training the CDS office bearers and members to develop financial, technical and leadership skills for sustainability of the programme.

Philip Thomas (1998)⁵³ stated that there is no single reason why individuals join in groups .The most popular reasons for joining a group are related to the needs for security, status, self esteem, affiliation, power and goal achievement.

Gain Raji TS (1999)⁵⁴ stated that lending pattern of 50 women groups in the state of Tamilnadu, Rajas than, Bihar and West Bengal and UP showed that initially most of the groups took more as consumption loans. But after a period of two three years the preposition of consumption loans comes down from 40 to 25 percent of total loans availed

Jairath (2001)⁵⁵ examined the rationale of promoting self help groups, their growth and role in extending micro credit in general, documented the procedure followed by these SHGs in particular, and suggested that to bridge the gap in purpose wise borrowings in production activities between the regions, the people in the resources poor region should be motivated and imparted with intensive training in various production activities. This will help in raising the productivity levels in the regions and improve the levels of livings of the rural poor.

‘Kallur (2001)⁵⁶ in his study, made an attempt to analyse the achievements of MYRADA in promoting the economic independence of poor women and to comment on the sustainability of women SHG’s in future. The study revealed that individual loans are mostly used for productive purposes and not for consumption purposes as are commonly believed .The rate of recovery of loan is very high compared to the rate of recovery of formal institutional system. The Ngo MYRADA provided guidance for economic activity, arranged training to the extend possible, He concluded that the group approach has brought to the surface many operative latent traditional values like group support thrift, group action and sustainability of women SHG’s.

Nedumaran (et.al) 2001⁵⁷, examined empirically the performance of SHG's linked with bank and assessed the performance and socio economic impact of shg members, indicated that social conditions of the members considerably improved after joining the group activities. Promotion of SHGs in rural areas, training to members and involvement of local Ngo's in building the SHG's are recommended for the overall improvement of households.

. Mishra (et, al) 2001⁵⁸ made an attempt to study the size, composition character of rural SHG's, to examine their functions and its impact on generation of income and employment, to identify the major constraints, problems of the groups and to suggest measures to overcome these problems, concluded the SHG's have helped to increase the income of their members by 10 to 15 percent, repayment performance was reported to be good and the major problem faced by the members of the SHG's were lack of training ,credit, and marketing facilities, social evils and high rate of interest..

Rekha R Gaonakar (2001)⁵⁹ made an attempt to study the working and impact of the self help groups and, the findings of the study revealed that individual loans are mainly used for productive purposes .The rate of recovery is cent percent. The group takes decision only after free and frank discussion, these SHG's have made a lasting impact on the lives of the poor particularly women, their quality of life has improved a lot. The study concludes that the movements of SHG can significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy.

Gaonakar (2001)⁶⁰ in a study on the working and impact of SHG in Goa, indicated that SHG's have made a lasting impact on the lives of the poor in terms of increase in the family income, increase in savings, increase in consumption, expenditure, gaining self confidence and productive use of free time.

In a study by Mishra (et.al) 2001⁶¹, to assess the working and impact of a rural self help group namely Darmadevi mahila mandal in

terms of empowerment of rural women through participation and employment generation. The impact assessment was done based on the situations prevailing during 1996 and post group formation period 2001. The study revealed that there was a positive change in income employment standard of living, of the poor.

, A review of genesis and development of SHG in India by Rao (2002)⁶² reveals that the existing formal financial institutions have failed to provide finance to landless marginalized and disadvantaged groups. The origin of SHG could be traced to mutual aid in Indian village community. Co-operatives are formal bodies whereas SHG's are informal. SHG encourages savings and promote income generating activities through small loans. The experiences available in the country and elsewhere suggest that SHGs are sustainable have replicability, stimulate savings and in this process help borrowers to come out of vicious circle of poverty.

Krishnamurthy (2004)⁶³ made an attempt to assess the attitude of SHG members towards their SHG's and concluded that it is the duty of the promoting agency i.e. Ngo's and the govt to assess the attitude of SHG members in regular basis. The success of any SHG depends on the active participation of all members .if some of the members are dissatisfied, group cohesiveness will be affected which will in turn weaken the performance of SHG's.

1.20.3 Micro finance

Stiglitz (1993)⁶⁴ suggested that peer monitoring is largely responsible for the success of micro finance programme. Peer monitoring refers to, requiring the fellow members in the group to monitor the borrowers and pay a penalty if the borrower goes bankrupt.

Nina Nayar (et al) (1999)⁶⁵ observed that micro finance has contributed indirectly building self-esteem of the poor, giving them confidence and economic means.

Puhazhendi and Saryasai (2000)⁶⁶ observed that there have been perceptible and wholesome changes in the living standards of the SHG members in terms of assets, increase in savings and borrowing capacity income generating activity and income levels on an impact evaluation conducted which covers sample of 560 shg member households from 220 SHG's spread over 11 states in India One of the major findings of the study is the share of consumption loans from SHG declined from 50% to 25%. About 70% of loans taken in post SHG situation were for income generating purpose.

Rajasekar (2000)⁶⁷ makes the conclusion on the basis of the study related with two Ngo's in Kerala ,that there is a perfect correlation between the period of stay of the members in SHG's and the amount of savings. Almost all the members reported to have borrowed at least once. In case of those borrowed more than two times the loan amount kept increasing with each loan. The analysis showed that more than 40%of the loans were taken for income generating activities.

Ajugam (et.al) (2001)⁶⁸ reported from the study conducted in Maduri district, to assess whether the SHG's cater to the needs of the people in rural areas and to assess the economic, social and institutional impact of micro finance through SHG's, clearly indicated that if the group formation is correct then definitely there will be positive impact on all aspects.

Sharma (2001)⁶⁹ opined that micro financing through SHG is significantly contributing to the development of rural poor in terms of increase in income levels, assets, savings, borrowing capacity and income generating assets.

Mosley (2001)⁷⁰ assessed the impact of Micro finance on poverty through sample survey of four micro finance intermediaries using a range of poverty concepts, income, assets holding and various measures of vulnerability, concluded positive impact on income and asset levels.

• Mohandas (2002)⁷¹ came to a conclusion that the micro finance system linked with SHG have a lot of untapped potential to be designed as an effective poverty eradication programme, if appropriate support services, infrastructure and promotional facilities are provided. In the absence to strong forward and backward linkages and other essential infrastructural, organizational and managerial support, it is not possible to transform micro finance into a meaningful poverty alleviation and income-generating programme.

1.20.4 Studies related with social and economic empowerment

Pathak (1992)⁷² observed that leadership has been considered important, for reason that it can influence the SHG members towards proper functioning.

Pathala (1992)⁷³ observed that the SHG being comprises of group of persons, get empowered to solve their problems through the process of continuous transformation and development.

Acharya and Basu (1996)⁷⁴ observed that the individual and collective consciousness, which developed in the process of SHG's not only empowered the women economically but also enhanced their self-esteem.

Bhavani (1996)⁷⁵ observed that, 'in general women were more responsible in monitoring, good repayment records. Besides credit going to women benefited the entire family and children being the first priority

Has hemi (et al) (1996)⁷⁶ observed from the study on BRAC and Gramin models that Brac members enjoyed greater economic security, ability to make small and large purchases, political and legal awareness, mobility and support from family compared to non-members. The women surveyed reported their increased self-confidence first, followed by increase in decision-making role, and third came their improved literacy skill.

David (1997)⁷⁷ an attempt to visualise the needs of a new programme for Indian women's empowerment found that the creation of a strong demand group was the essential component to increase the women's role in decision-making.

A comprehensive study on SHGs in Kerala has been made by Ommen, (1999)⁷⁸ and reviewed the progress of SHG programme and its impact on poverty, income generating programmes, thrift and credit societies and women empowerment and concluded that micro financing through SHGs can help in a big way in eradicating poverty and attain women empowerment.

Hartwiz Elizabeth (1999)⁷⁹ concludes that the women. Self help groups enable the women to take the very first step towards independence and self-determination. The importance of rotating savings and credit to women in West Africa is well documented.

Ahammed (1999)⁸⁰ states that, empowerment enables women groups to shape themselves as social activists by trying to check mal practices and discrimination in the implementation of different schemes in the system.

Based on the case studies in Orissa, Karmaker (1999)⁸¹ concludes that there is a positive correlation between credit availability and women empowerment. Experience of women SHG's in Orissa linked with bank finance is that transactions costs are reduced for both rural banks and women borrowers, repayment exceeds 95% and credits are available on time.

Naila Kabeer (1999)⁸² explains empowerment is 'the expansion of people's ability to make strategic life choices in a context where the ability was previously denied to them. The micro finance intermediaries are now ubiquitous in developing countries. They have promoted women entry into income generating occupations and hence had an impact on women's empowerment.

On the basis of their analysis Murugan and Dharmalyam (2000)⁸³ about new women movement in TN observed that SHG organised by women, managed the economic activities better, also helped gaining empowerment in the directions which were appropriate to their needs, interests and constraints.

In a study on role of female labour force participation in rural poverty Misra (2000)⁸⁴ concludes that there is a significant role to play by female labourers in the poverty alleviation of rural areas.

Suriakanthi (2000)⁸⁵ observed from the study, based on SHG of Tamilnadu about the importance of literacy, opined that though SHG's are based on micro credit, they have much larger scope for integrated empowerment than mere economic empowerment.

Darmadhikari and Madheswaran S (2000)⁸⁶ in their study on Maharashtra rural development programme documented an improvement in the status of women both within and outside of household.

Aswathi (et al) (2001)⁸⁷ reported that SHG's have made a positive impact in creating leadership, improve literacy consciousness about health and hygiene and skill formation among group members .The study revealed that after the formation of SHG women took up savings and credit activities and participated in the developmental process which are important towards the upgradation of their socio economic status.

Shetty (2001)⁸⁸ observed that, SHG's are playing a significant role in realizing the goals especially one of providing the poor with easy access to savings and credit, empowerment of women by providing control and access over socio economic resources.

Kuishreshta (2001)⁸⁹ observed that incremental income generated from credit given to women can be expected to contribute to improved household well-being as their income is likely to be spent in food, health care and child development.

Mallick Ross (2002)⁹⁰ reported that, micro credit has been introduced to rural communities in Bangladesh as a means of economic and social development. But there are increasing doubts about its effectiveness and suggests that it causes domestic abuses. More over it brings greater violence and class division of communities while favored groups gain patronage to enhance their position.

Yeling Tan (2003)⁹¹ documented that, evidence from impact evaluations in Nepal and Bangladesh, is that the women in micro finance programme not only strengthens their economic role but also empowers them to an extent .On a personal level women tends to gain greater intra household bargaining power, more decision making authority and suffers less from domestic violence. They also become more geographically mobile and have greater say over their children's education. On the collective level anecdotal evidences suggests that the achievements of lending groups and their contribution to the community have a positive impact on women's social voice and status.

In a work Borlan (2003)⁹² revealed that women's groups have succeed in reversing the gender relations in their favor and proved that they can effectively replace the leadership in local institutions and provide better governance to the community. This conclusion is based on the impact study made on SHG's promoted by eight leading Ngo's in TN and AP.

Sathasundaran (2003)⁹³ pointed out that SHG- bank linkage programme has helped the weaker sections, enhanced the saving habits, improved repayment percentages, increased employment opportunities, enhanced self-confidence of the members and made members more assertive in facing social evils.

Research wing DHAN foundation (2003)⁹⁴ made a study with a view to assess the impact of SHG on the members, the main objectives were to assess the economic improvement of the family through credit and non-credit operations of SHG and also to assess the contribution made towards empowering the marginalized group of women and the

family members. The study concluded that there is a significant economic empowerment of the family through credit and non-credit operations. The study also revealed that there had a strong empowerment socially by the marginalized group of women and their family members.

Binitha V Thampi (2004)⁹⁵ observed from the study to know whether the SHG programme has made any improvement in the economic status of women and thereby their empowerment, a primary survey has been conducted among the selected ninety-six members of SHG's in Allappuzha municipality over a period of seven years of functioning, and concluded that Shg and micro finance activities as a nostrum for both poverty reduction and empowering women .The study also pinpoints the question of exclusion of APL women into these programmes ,as to be relooked.

While making s study on the performance of the SHGs Manimaran (2004)⁹⁶ found that the SHG's are organized to manage their economic activities better and are gaining empowerment in directions, which are appropriate to the needs interest and constraints. They gained confidence from an increase in their relative financial independence and security .It is observed from the study that the revolutions taking place in rural areas because of the formation of SHG's in rural areas. It is further observed that the rural women are really empowered socially and economically after having being member of SHGs.

Nathalie Holvoet (2005)⁹⁷ based on household survey data from south India, it is concluded that the women surveyed felt that their position in the household had improved

1.20.5 Motivation

Timmons (1973)⁹⁸ observed that, motivation is one of the driving factors and healthy means for achievement. The motivation to achieve an unexpected result is the basic mental drive that is required in present

day entrepreneurship. In this study it is found that achievement motivation is closely associated with entrepreneurial success.

In a study conducted by SEIT (1974)⁹⁹, of small units situated in Hyderabad and Secandrabad, which revealed that economic gain was the most important reason for starting small scale units followed by ambition of social prestige and social responsibility in the order.

Madhavi (1999)¹⁰⁰ concludes from a study related with women entrepreneurs both in formal and informal sector, economic needs were not dominant concerns for those in the formal sector. Their motivation reflected will be the 'quest for personal achievements and identity and a search for fulfillment and personal expression. The desire to assert female right was the top scoring reasons for starting a business with the need for personal independence, creativity, and excitement. Challenges and adventure also being significant considerations.

1.21 Framework of the Report

The report has been grouped in to seven chapters. The first Chapter deals with the introduction relevance, scope, review of literature, statement of problem, objectives, hypothesis, methodology, sampling design, main variables used, period of study and limitations of the study. The second chapter deals with a theoretical overview on micro finance, self-help groups and micro enterprises, in India and Kerala. The third chapter discusses the pattern and growth of Kudumbashree mission Kerala. The fourth Chapter is devoted to the analysis of the socio economic profiles and perceptions of the women micro entrepreneurs. Chapter five deals with the analysis of the extent of social and economic empowerment of women micro entrepreneurs. The sixth chapter analyses the main problems faced by women micro entrepreneurs. The summary of findings and suggestions are presented in Chapter seven.

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AN OVERVIEW ON MICRO FINANCE, SELF HELP GROUPS AND MICRO ENTERPRISES

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CHAPTER II

AN OVERVIEW ON MICRO FINANCE, SELF HELP GROUPS AND MICRO ENTERPRISES

A. Micro Finance

2.1 Introduction

The provision of credit to the poor and marginalized has been one of the major components for many of the poverty alleviation programmes, as the lack of access to productive capital seems to be one of the major constraints to the poor for breaking away from the poverty trap. This trap makes it extremely difficult for the poor to overcome poverty without external intervention. The trap can be viewed in terms of the poor person's low capacity to generate income, savings, and investment in an economic environment, which offers employment opportunities thus leaving the poor in perpetual poverty.

Micro finance interventions are well-recognized world over as an effective tool for poverty alleviation and improving socio economic conditions of poor. It has been implemented in different forms in different countries and has come to be regarded as an important tool for empowerment of women also. Empowerment of women can be promoted through self help groups and other forms of groups and collectives at the grassroots pioneered through micro finance movement. Poverty alleviation on a large scale is possible through the promotion of livelihoods, by providing easy and affordable access to credit and other complementary services required for promotion of livelihoods. Micro finance is considered as a potential instrument for combating poverty in a sustainable manner.

Before understanding the concept of micro-finance, it would be worthwhile to understand the term micro-credit as the two terms are closely related to each other. Poor people need micro credit for various

and different purposes. It may be to meet the major household expenses, emergency needs or even basic livelihood support. There are two main systems of micro credit. One is formal financial institutions, banks and co-operatives, which provide micro-credit to the poor people under different schemes for livelihood support or helping them to start micro-enterprises. The other is informal system comprising traditional moneylenders, pawnbrokers and trade specific lenders. Both the systems have their own positive and negative aspects.

The positive aspects of formal financial system are that under this system, micro-credit is available at low rate of interest with easy and periodical repayments and moratorium period. The most important aspect of this type of credit is that it is available for income generating activities. But at the same time micro-credit from formal financial system is not easily available, the system requires collateral or security. It has complex legal and operational procedures, involving lot of paper work. Since the process of credit disbursement is time consuming, many times credit is not available in time. Finally, there is stigma attached to the poor person so that the bankers do not think them credit-worthy and feel that the recovery rate is unsatisfactory. But this may not necessarily be true.

The positive aspects of informal system of micro-credit are that the credit disbursement is easy and relatively quick. No collateral is required and there is less procedures. Credit can be given for any activity, especially for consumption and emergency purposes. Credit is generally given for non-productive purposes as well. But at the same time there is very high interest rate in informal micro-credit system. Exploitation is also attached with this system. Moneylender takes repayment at one time only.

Based on these two systems of micro-credit, it can be defined as "the provision wherein debtor takes money either from formal or informal sources of credit on unilaterally decided terms by the creditor". If the positive aspects of both the systems are combined together like,

low rate of interest, easy and periodical repayments with moratorium period, credit for income generating activities, easy process of disbursement, no collateral or security and less paper work etc., it comes closer to understanding the concept of micro-finance.

Micro finance has been evolved as an economic development approach intended to benefit low-income women and men. The term refers to the provision of financial services to low-income clients including the self-employed. Financial services include savings as well as credit and many micro financial organizations also provide insurance and payment services, such as group formation, development of self-confidence and training in functional literacy and management capabilities, among the members of the group.¹

2.2 Micro Finance Defined

The term Micro finance has been defined by Marguerite S Robinson as 'Micro finance refers to small scale financial services for both credits and deposits that are provided to people who farm or fish or herd, operates small or micro enterprises, where goods are produced, recycled, repaired or traded, provide services, work for wages or commissions, gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools and to other individuals and local groups in developing countries ,in both rural and urban area's.'

However Robinson further clarifies that definition could be further narrower and more focused, depending on the typology of lending, she however maintains that it would be good to keep the definitions to' refer to all types of financial services provided to low income house holds and enterprises.²

The NABARD task force suggested a working definition of micro finance as 'provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi urban or urban area's for enabling them to raise their income levels and improve living standards'.³

Micro finance means providing very poor families with very small loans (micro credit) to help them engage the productive activities or grow their tiny businesses. Overtime micro finance has come to conclude a broader range of services (credit, savings, insurance etc) as it has realized that the poor and very poor who lack access to traditional formal financial institutions require variety of financial products.

The history of micro finance shows that this sector has emerged from the projects of income generating activities/micro enterprises and in response to the failures of institutional measures of micro credit.⁴

The definitions of micro finance include both financial and social intermediation. Micro finance is not simply a banking activity, it is a developmental tool. Micro finance activities usually involve,

- Small loan typically for working capital.
- Informal approaches of borrowers and investors.
- Collateral substitutes such as group guarantees or compulsory savings.
- Access to repeat and larger loans based on repayment performance.
- Streamlined loan disbursements and monitoring.
- Secure saving products.
- Some Micro finance institutions provide enterprise development services such as skill training and marketing and social services such as literacy training and health care.

2.3 Social Intermediation and Financial Intermediation

The micro finance approach attempts to overcome the defects of the earlier approaches through credit innovations. The MFIs often balance the dual tasks of social and financial interventions. Building an appropriate micro finance system that is accessible to the poor people and sustainable for the lending institutions is a challenge that can be overcome only if both types intermediation exists especially in an effective manner. This is necessary for overcoming the vulnerability imposed by continued reliance on subsidies, by establishing market-

based system that can operate its own. In other words international experiences indicate that the mechanisms must be created to bridge the gaps created by poverty, illiteracy, gender and remoteness, people's institutions must be built and nurtured and skills and confidence of clients developed which in turn require balanced social intermediation and sound financial intermediation

2.4 Scope of Micro Finance Activities

2.4.1 Social intermediation

- Situational analysis of areas under the programme
- Prioritizing of credit needs of the clients.
- Stimulation of demand
- Mobilization of client's group dynamics
- Organizing the clients in to groups
- Capacity building of groups for self-management
- Enabling development of peer pressure
- Awareness and consciousness raising activities
- Functional and non-formal education linkages
- Stimulation of peer learning
- Peer induced growth

2.4.2. Financial intermediation

- Saving services
- Credit access
- Equity contribution
- Risk mitigating linkages
- Insurance linkages
- Sustainability of operations
- Scaling up of these services, credit for promotion of micro enterprises.
- Effective and sustainable micro finance requires good social intermediation and prudent financial intermediation. The innovative features of micro finance are,

- Out reach the poorest of poor-Micro finance activities can support income generating micro enterprises operated by low-income households
- Potential to build on traditional informal financial system- The Mfi's provide financial services similar to traditional system, but with greater flexibility at a more affordable price, making the micro financial services more attractive to a large number of low income people.
- Harnessing local resources-local capital can be tapped in a significant manner through the micro finance programme, which delivers credit and other related services to the poor and women out of their own savings.
- Financial sustainability –Micro finance can help to build financially self-sufficient, collateral free, subsidy free, and customer friendly, locally managed institutions.
- Strengthening and expansion of existing formal financial system- Existing formal financial institutions like commercial banks, credit union networks and state owned financial institutions can be strengthened by micro finance activities .The micro finance activities can expand their markets for both savings and credit operations and have the potential to increase their profitability.
- Availing of better financial products as a result of experiments and innovations.⁵

The most promising innovation of micro finance is availability of small loans at frequent intervals, providing saving services that meet the needs of small savers, solving the problem of lack of collateral by using group based approaches, nurturing repayment discipline through high frequency of repayment collection, the use of social and peer pressure and the promise of higher repeat loans, solving the problems of transaction costs by moving some of these costs down to the group level and abolishing intermediary costs and increasing outreach through designing staff incentives.

2.5 Micro Finance Institutions (MFI's)

The Nabard task force after thorough examination of all grass root financial institutions suggested a working definition of MFI as "Micro Finance institutions (MFIs) are those which provide thrift, credit and other financial services and products of very small amounts mainly to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards".⁶

2.6. Growth of Micro Finance Sector

2.6.1 Global Level

The historical account of the emergence and growth of micro-finance sector at the global level is as given below. Mohammed Yunus, popularly known as the father of micro credit system, started a research project in Bangladesh in 1979 and came out with ideas of micro credit/ Micro finance that resulted in the establishment of Grameen bank in 1983. In 1981 NDF (National Development Foundation), Jamaica was started with support of Pan American Development Foundation. In 1983 ADEMI (Association for Development of Micro Enterprises) was established in Dominican Republic, Santo Domingo with support from ACCION, an International Agency. In 1984, the participants of the third international symposium on mobilization of personal savings in developing countries, organized by United Nations, agreed in the final resolution that -internal savings must provide the basis of credit programmes, state control interest rate must be relaxed, more decentralized financial services and strong linkages between formal and informal credit institutions for development.⁷ In the same year BRI (Bank Rakyat Indonesia) started micro-finance in Indonesia., K-REP (Kenya Rural Enterprise Programme) was set up by USAID (United States Agency for International Development) to develop credit programmes for micro-enterprises through NGOs Intermediation. In 1986 ACEP (Agence de Credit Pour 'L Enterprise Privee) was established in Senegal with the support of USAID. In 1986 PRODEM (Foundation for the Promotion and Development of Micro-Enterprises), which was established by USAID &

ACCION International in Bolivia, started micro finance. Later on it was converted into a bank called Bancosol (Banco Solidario) in 1992. In 1987 IDH (Instituto de Desarrollo Hondurando) was started in Honduras with the support of Opportunity International. In 1992, BANPECO (Banco Nacional del Pequeno Comercio) that is, National Bank for Small Traders was renamed as BNCI (Banco Nacional de Comercio Interior), that is National Bank for Domestic Commerce and started micro-financing in urban areas of Mexico. Basically, micro finance system gained the momentum, in the mid -90's after the world summit for social development, held at Copenhagen in 1995. The summit which emphasized the easy access to credit for small producers, landless farmers, and other low income individuals, particularly women, urged governments of various countries to take appropriate actions in order to make easy accessibility of credit to the poor. Subsequently the Micro-Credit Summit (2-4 February, 1997) held at Washington D.C, launched a global movement to reach 100 million of the world's poorest families, especially the women of those families, with credit for self-employment, by the year 2005.⁸

As anywhere in the world, a sample analysis of micro finance institutions (MFIs) has concluded that nearly 78 per cent of the membership of MFIs is rural and almost 95 per cent of the members are women, the categories that have previously been underserved. The end of 2003 was serving about 80 million clients across the world by approximately 2900 micro finance institutions. The advocates of micro financing delivery were international donors and national policy makers to financial system agents, Ngo practitioners and local bureaucrats. Table 2.1 exhibits the out reach of micro credit globally.

Table 2.1

Global outreach of Micro credit)

Years	No of reporting institutions	No of clients reached (in Millions)	Poorest clients reached
1997	618	13.5	56.3
1998	925	20.9	58.4
1999	1065	23.6	58.5
2000	1567	30.7	62.9
2001	Na	Na	Na
2002	2572	67.5	61.5
2003	2931	80.9	67.7

(Source: Morduch 2004, Daley-Harris 2004).⁹

2.6.2 Micro Finance in India

The story of the Indian micro finance is associated with both governmental and non-governmental (NGO) initiatives that took place in the mid-Eighties and early Nineties. It incorporated lessons from the micro finance movement in Bangladesh and similar participatory development programmes in India. The self-help group (SHG)-bank linkage programme of the National Bank for Agriculture and Rural Development (NABARD) accelerated the growth of the micro finance movement in India in the latter half of the Nineties.

In India, micro finance has enabled the poor to have a greater access to financial services, particularly credit. It has achieved several social development objectives like gender sensitisation, empowerment and poverty alleviation by diversifying their livelihoods and especially contributed largely towards raising their incomes. It has also allowed the poor to accumulate assets and has contributed towards their security. Further, micro finance has also had a very significant social impact. In areas with sound micro finance programmes, the quality of life of the poor has improved significantly.

India's share in the global (reported) micro credit market in 2003 was 13% of all clients and 16% of the poorest clients. This was occurred

due to the shg bank linkage programme of Nabard, now India is the home of one of the largest micro credit /micro finance programmes in the world.¹⁰

A range of institutions in public sector as well as private sector offers the micro finance services in India. They can be broadly categorized in to two categories namely, formal institutions and informal institutions. The former category comprises of Apex Development Financial Institutions, Commercial Banks, Regional Rural Banks, and Cooperative Banks that provide micro finance services in addition to their general banking activities and are referred to as micro finance service providers. On the other hand, the informal institutions that undertake micro finance services as their main activity are generally referred to as Micro Finance Institutions (MFIs). While both private and public ownership are found in the case of formal financial institutions offering micro finance services, the MFIs are mainly in the private sector.

2.6.3 Micro Finance Service Providers

The micro finance service providers include apex institutions like National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), and, Rashtriya Mahila Kosh (RMK). At the retail level, Commercial Banks, Regional Rural Banks, and, Cooperative banks provide micro finance services. Today, there are about 60,000 retail credit outlets of the formal banking sector in the rural areas comprising 12,000 branches of district level cooperative banks, over 14,000 branches of the Regional Rural Banks (RRBs) and over 30,000 rural and semi-urban branches of commercial banks besides almost 90,000 cooperatives credit societies at the village level. On an average, there is at least one retail credit outlet for about 5,000 rural people. This physical reaching out to the far-flung areas of the country to provide savings, credit and other banking services to the rural society is an unparalleled achievement of the Indian banking system in the context of prevailing legal and regulatory environment for private sector rural and micro finance operators.

2.6.4 The Emergence of Private Micro finance Industry /Micro Finance Institutions

The micro finance initiative in private sector can be traced to the initiative undertaken by Ms.Ela Bhat for providing banking services to the poor women employed in the unorganized sector in Ahmedabad City of Gujarat State. Shri Mahila SEWA (Self Employed Women's Association) Sahakari Bank was set up in 1974 by registering it as an Urban Cooperative Bank. Since then, the bank is providing banking services to the poor self-employed women working as hawkers, vendors, domestic servant etc.

In the midst of the apparent inadequacies of the formal financial system to cater to the financial needs of the rural poor, NABARD sponsored an action research project in 1987 through an NGO called MYRADA .Encouraged by the results of field level experiments in group based approach for lending to the poor, NABARD launched a Pilot Project in 1991-92 in partnership with Non-governmental Organizations (NGOs) for promoting and grooming self help groups (SHGs) of homogeneous members and making savings from existing banks and within the existing legal framework. Steady progress of the pilot project led to the mainstreaming of the SHG-Bank Linkage Programme in 1996 as a normal banking activity of the banks with widespread acceptance. The RBI set the right policy environment by allowing savings bank accounts of informal groups to be opened by the formal banking system. Launched at a time when regulated interest rates were in vogue, the banks were expected to lend to SHGs at the prescribed rates, but the RBI advised the banks not to interfere with the management of affairs of SHGs, particularly on the terms and conditions on which the SHGs disbursed loans to their members.

The uniqueness of the micro finance through SHG is that it is a partnership based approach and encouraged NGOs to undertake not only social engineering but also financial intermediation especially in areas where banking network was not satisfactory. The rapid progress

achieved in SHG formation, which has now turned into an empowerment movement among women across the country, laid the foundation for emergence of MFIs in India.

2.6.5 MFIs and Legal Forms

With the expansion of the SHG - Bank linkage programme and other micro finance initiatives in the country, the informal micro finance sector in India has begun to evolve. While there is no published data on private MFIs operating in the country, the number of MFIs is estimated to be around 800. However, not more than 10 MFIs are reported to have an outreach of 1,00,000 micro finance clients. Overwhelming majorities of MFIs are operating on a smaller scale with clients ranging between 500 to 1500 per MFI. The geographical distribution of MFIs is very much lopsided with concentration in the southern India where the rural branch network of formal banks is excellent. It is estimated that the share of MFIs in the total micro credit portfolio of formal & informal institutions is about 8 per cent.

The picture of the micro finance sector in India is as diverse as the country itself. It is characterized by distinct delivery models and legal structures. Indian MFIs are predominantly NGOs i.e., nearly 80 per cent of the MFIs operate under the Society/Trust form, which is for the not for-profit sector with a clear development agenda. Apart from this, other important legal forms are being used by Indian MFIs. Ten per cent of organizations operate under the Company structure; five per cent are Section 25 companies; two per cent as Cooperatives; two per cent as Non Banking Finance Companies (NBFCs); and one per cent as Local Area Banks. The focus of the NGO-MFIs on the not for-profit legal structure is one of the critical impediments in the sector. The diversity and lack of regulation and standardisation are significant limitations to the growth of the sector. Moreover, none of these legal structures are allowed to take savings, which is also as important as credit. The poor households also have a high demand for saving services, social security services like insurance and other financial services. Since a large part of

their savings demand is unmet, the poor turn to informal and often unreliable sources to save. The MFIs in India can be broadly sub-divided into three categories of organizational forms as given in Table 2.2.

Table 2.2
Legal Forms of MFIs in India

Types of MFIs	Estimated Number*	Legal Acts under which Registered
1. Not for Profit MFIs a.) NGO - mFIs	400 to 500	Societies Registration Act, 1860 or similar Provincial Acts Indian Trust Act, 1882
b.) Non-profit Companies	10	Section 25 of the Companies Act, 1956
2. Mutual Benefit MFIs a.) Mutually Aided Cooperative Societies (MACS) and similarly set up institutions	200 to 250	Mutually Aided Cooperative Societies Act enacted by State Government
3. For Profit MFIs a.) Non-Banking Financial Companies (NBFCs)	6	Indian Companies Act, 1956 Reserve Bank of India Act, 1934
Total	700 - 800	

(Source, Nabard 1999)

2.6.5a NGO MFIs: There are a large number of NGOs that have undertaken the task of financial intermediation. Majority of these NGOs are registered as Trust or Society. Many NGOs have also helped SHGs to organise themselves into federations and these federations are registered as Trusts or Societies. Many of these federations are performing non-financial and financial functions like social and capacity building activities, facilitate training of SHGs, undertake internal audit, promote new groups, and some of these federations are engaged in financial intermediation. The NGO MFIs vary significantly in their size, philosophy and approach. Therefore these NGOs are structurally not the right type of institutions for undertaking financial intermediation activities, as the bylaws of these institutions are generally restrictive in allowing any commercial operations. These organizations by their charter are non-profit organizations and as a result face several problems in borrowing funds from higher financial institutions. The NGO MFIs, which are large in number, are still outside the purview of any financial

regulation. These are the institutions for which policy and regulatory framework would need to be established.

2.6.5b Non-Profit Companies as MFIs: Many NGOs felt that combining financial intermediation with their core competency activity of social intermediation is not the right path. It was felt that a financial institution including a company set up for this purpose better does banking function. Further, if MFIs are to demonstrate that banking with the poor is indeed profitable and sustainable, it has to function as a distinct institution so that cross subsidisation can be avoided. On account of these factors, NGO MFIs are of late setting up a separate Non-Profit Companies for their micro finance operations. The MFI is prohibited from paying any dividend to its members. In terms of Reserve Bank of India's notification dated 13 January 2000, relevant provisions of RBI Act, 1934 as applicable to NBFCs will not apply for NBFCs (i) licensed under Section 25 of Companies Act, 1956, (ii) providing credit not exceeding Rs. 50,000 (\$1112) for a business enterprise and Rs. 1,25,000 (\$2778) for meeting the cost of a dwelling unit to any poor person, and, (iii) not accepting public deposits.

2.6.5c Mutual Benefit MFIs: The State Cooperative Acts did not provide for an enabling framework for emergence of business enterprises owned, managed and controlled by the members for their own development. Several State Governments therefore enacted the Mutually Aided Co-operative Societies (MACS) Act for enabling promotion of self-reliant and vibrant co-operative Societies based on thrift and self-help. MACS enjoy the advantages of operational freedom and virtually no interference from government because of the provision in the Act that societies under the Act cannot accept share capital or loan from the State Government. Many of the SHG federations, promoted by NGOs and development agencies of the State Government, have been registered as MACS. Reserve Bank of India, even though they may be providing financial service to its members, does not regulate MACS.

2.6.5d, For Profit MFIs: Non Banking Financial Companies (NBFC) are companies registered under Companies Act, 1956 and regulated by Reserve Bank of India. Earlier, NBFCs were not regulated by RBI but in 1997 it was made obligatory for NBFCs to apply to RBI for a certificate of registration and for this certificate NBFCs were to have minimum Net Owned funds of Rs 25 lakhs and this amount has been gradually increased. RBI introduced a new regulatory framework for those NBFCs who want to accept public deposits. All the NBFCs accepting public deposits are subjected to capital adequacy requirements and prudential norms. There are only a few MFIs in the country that are registered as NBFCs. Many MFIs view NBFCs more preferred legal form and are aspiring to be NBFCs but they are finding it difficult to meet the requirements stipulated by RBI. The number of NBFCs having exclusive focus on micro finance is negligible.

2.6.6 Capital Requirements

NGO-mFIs, non-profit companies mFIs, and mutual benefit MFIs are regulated by the specific act in which they are registered and not by the Reserve Bank of India. These are therefore not subjected to minimum capital requirements, prudential norms etc. NGO mFIs to become NBFCs are required to have a minimum entry capital requirement of Rs. 20 million (\$ 0.5 million). As regards prudential norms, NBFCs are required to achieve capital adequacy of 12% and to maintain liquid assets of 15% on public deposits.

2.6.7 Foreign Investment

Foreign investment by way of equity is permitted in NBFC MFIs subject to a minimum investment of \$500,000. In view of the minimum level of investment, only two NBFCs are reported to have been able to raise the foreign investment. However, a large number of NGOs in the development - empowerment are receiving foreign fund by way of grants. At present, over Rs.40, 000 million (\$ 889 million) every year flows into India to NGOs for a whole range of activities including micro

finance. In a way, foreign donors have facilitated the entry of NGOs into micro finance operations through their grant assistance.

2.6.8 Deposit Mobilisation

Not for profit mFIs are barred, by the Reserve Bank of India, from mobilizing any type of savings. Mutual benefit mFIs can accept savings from their members. Only rated NBFC mFIs rated by approved credit rating agencies are permitted to accept deposits. The quantum of deposits that could be raised is linked to their net owned funds.

2.6.9 Borrowings

Initially, bulk of the funds required by mFIs for on lending to their clients were met by apex institutions like National Bank for Agriculture and Rural Development, Small Industries Development Bank Of India, and, Rashtiya Mahila Kosh. In order to widen the range of lending institutions to mFIs, the Reserve Bank of India has roped in Commercial Banks and Regional Rural Banks to extend credit facilities to mFIs since February 2000. Both public and private banks in the commercial sector have extended sizeable loans to mFIs at interest rate ranging from 8 to 11 per cent per annum. Banks have been given operational freedom to prescribe their own lending norms keeping in view the ground realities. The intention is to augment flow of micro credit through the conduct of mFIs. In regard to external commercial borrowings (ECB) by mFIs, not-for-profit mFIs are not permitted to raise ECB. The current policy effective from 31 January 2004, allows only corporates registered under the Companies Act to access ECB for permitted end use in order to enable them to become globally competitive players.

2.6.10 Interest Rates

The interest rates are deregulated not only for private mFIs but also for formal banking sector. In the context of softening of interest rates in the formal banking sector, the comparatively higher interest rate (12 to 24 per cent per annum) charged by the mFIs has become a contentious issue. The high interest rate collected by the mFIs from their

poor clients is perceived as exploitative. It is argued that raising interest rates too high could undermine the social and economic impact on poor clients. Since most mFIs have lower business volumes, their transaction costs are far higher than that of the formal banking channels. The high cost structure of mFIs would affect their sustainability in the long run.

2.6.11 Collateral requirements

All the legal forms of mFIs have the freedom to waive physical collateral requirements from their clients. The credit policy guidelines of the RBI allow even the formal banks not to insist on any type of collateral and margin requirement for loans up to Rs 50,000 (\$1100).

2.6.12 Regulation & Supervision

- India has a large number of mFIs varying significantly in size, outreach and credit delivery methodologies. Presently, there is no regulatory mechanism in place for mFIs except for those that are registered as NBFCs. As a result, mFIs are not required to follow standard rule and it has allowed many mFIs to be innovative in its approach particularly in designing new products and processes. But the flip side is that the management and governance of mFIs generally remains weak, as there is no compulsion to adopt widely accepted systems, procedures and standards. Because the sector is unregulated, not much is known about their internal health.

2.7 Models of Micro Finance

In the evolution of Micro finance industry there are five models on different philosophies and target groups, they are:

2.7.1 Self help group (SHG) model

The SHG model is the most dominant model of micro finance .It is based on the principle of mutual help and joint liability. To a large extent the members of the SHG's have similar income patterns /cash flows and live in close proximity (as neighbours). An SHG typically consists of 5-10 members and save regularly (either on a daily or weekly basis) in a

common pool, which is then circulated as credit by turn, to every member of the SHG. Each member/borrower returns the loan amount along with interest, which is added to the group savings. The SHG's are built, groomed and sustained with strong efforts and support from NGO's and MFI's who also take up various other community based developmental activities. Best example of this type of technology is the SHG- bank linkage programme in India, The PHBK project in Indonesia and Chi kola group Kenya.

2.7.2 Individual banking programme (IBP) Model

The IBP includes those MFI's, which extend financial services directly to individual clients, though these clients may further be organized under various forms like credit and savings co-operatives, joint liability groups or even SHG's. Access to financial services from a co-operative is restricted to members; hence all borrowers are (directly or indirectly) members of the co-operatives. Mobilisation of savings from its members on a regular basis is a key strength of co-operatives. The most successful co-operatives in India are Annapurna manila co-operative credit society Mumbai, India co-operative network for women Tamilnadu The SEWA bank is the most successful co-operative bank owned by women. These technologies are predominant in the BRI-unit Desa in Indonesia's as well as priority sector lending by banks in India, especially the RRB's and Co-operatives.

2.7.3 Community banking model

This model has attributes of all other models put together. The predominant goal that drives the promoters of this model is 'development'. This model is evolved and promoted by non-commercial, not for profit organizations. In this model it is community (through self help groups members) who play a dominant role. They make the rules, they amend rules and they implement them. This model insists that the members take complete charge of the programmes, whereby they conduct the group meetings, fix interest rates, and decide on monthly contributions, loan amounts, repayment and default penalty. The

community is empowered to take decisions; the role of the Ngo MFI is of a facilitator and an enabler. Examples of this type of micro finance institutions are The Village bank of Finca in Latin America, which has been replicated in Africa and Central Asia. In India Mugavai vattara Kadalamaï vattara kalanjiam and other federations promoted by DHAN foundation subscribe to the community banking model, Sharmik Bharti based in Kanpur is another prominent organization promoting this model.

2.7.4 Grameen model

The most well known model the world over, named after the Gramin bank .the first formal initiative of micro finance founded by Prof. Mohammed Yunus'. This model undertakes delivery of financial services to individuals who are part of a five member homogenous group .A collection of more than ten such small groups from within the same village or neighborhood, constitute a center .The members of the group are jointly liable for non payment by a single member of the group. Savings is a must under this model and a lot of household level assessment is done before introducing individual members of the group which takes into account income pattern, cash flows, current outstanding (to money lenders, friends and relatives), other liabilities saving potential, skill levels, probability of serving loans, family size etc. SHARE micro finance ltd, CASHPOR financial and technical services and ASA Trichy are among the few leading gramian replications in India.

The programmes of Bancosol in Bolivia and most of the solidarity group models in Latin America follows this methodology.

2.7.5. Credit unions and co operatives

Credit unions and co operatives are member owned organizations providing credit and other financial services to the member's .The apex bodies provide technical and financial support to the federating units. SANASA of Srilanka is a successful example of rural credit co-operatives as micro finance service provider.¹¹

2.8 Characteristics of Micro Finance Models

- Regular contribution towards group savings
- Regular attendance at the group meeting
- Active participation in discussions of various developmental issues, such as social discrimination, gender awareness, health, sanitation and education.
- Regular repayment of installments on loan obtained from the Mfi group.
- Members eligible for short term loans initially and later to all type of loans depending on the need including emergency loans for consumption, festival, social ceremony etc.¹²

2.9 Micro Finance Focusing on Female Clients

The objective of many of the MFI's is to empower women by increasing their economic position in society. The provision of financial services directly to women aids in this process. Women entrepreneurs have attracted special interest from MFI's because they almost always make up the poorest segments of society, they are generally responsible for child rearing (including education health and nutrition) and they often have fewer economic opportunities than men. A woman faces cultural barrier, which often restricts them to the house, making it difficult for them to access financial services. Women also have more traditional role in the economy and may be less able to operate business outside of their home.

In some instances, commercial banks are unwilling to lend to women or mobilise deposits from them. This is based on their perception that women are unable to control household income. More over because women's access to property is limited and their legal standing can be precarious, women also have fewer sources of collateral, which makes it more difficult for them to deal with financial system that depend on written contracts. Experience has shown that women generally have a high sense of responsibility and are affected by social pressure .It has been argued that an increase in women's income benefits the households

and the community to a greater extent than a commensurate increase in men's income. Women's also demonstrated higher repayment and saving rates than male clients. A review of World Bank projects supporting enterprise development of women found that the majority of projects monitoring repayment data reported a higher rate of repayment of loans in projects focused on women than in companion non-targeted projects.¹³

The characteristics of women's businesses differ from those of men in important ways. Women tend to weigh household maintenance and risk reduction more heavily on their business strategies. Women also tend to give less emphasis on enterprises growth; preferably invest profits in their families rather than in expanding the enterprises. Other characteristics include,

- 1 A concentration in trade, services and light manufacturing.
- 2 A tendency to start smaller and tends to smaller throughout their lifetime, although women's business last as long than those of men.
- 3 The frequent use of family labour and the location of their business in the household.

In both urban and rural areas women tend to engage in activities that offer easy entry and exit and do not require large amounts of working capital, fixed assets or special skills. Such activities offer the flexibilities regarding time commitments that enable the women to balance their work and family obligations .The activities are often seasonal, geographically portable and fit household conditions and space limitations. These characterstics imply that women's household duties limit the choice of business activity, which is an important consideration

Several studies show that women perceive more respect from their communities than they did before joining a micro finance program. They also show women taking greater roles in giving advice within the community, organizing for social change, and participating in community

meetings in part because they are now able to contribute financially to community needs. A number of programs have also found increased political participation, including involvement in civic action and women clients being elected to office. As Sebstad and Cohen report, "lending groups provide a means for women to know and be known by other women; a forum for learning leadership and public speaking skills; and a basis for development of trust, friendship and financial assistance."¹⁴

The following are some of the important positive impacts of micro finance programme

- Costly loans from informal sources have been significantly reduced as a proportion of a household's debt portfolio.
- The interest rates in these areas have come down drastically.
- Micro finance has helped the poor to diversify livelihood options.
- Micro finance has helped in generating incremental employment.
- There is significant evidence that micro finance has helped in reducing poverty.

B. Self Help Groups

2.10 Introduction

In this part an attempt is made to focus on the concept self help groups, self-help group models and growth and pattern of SHGs in India and Kerala.

The growing problem of poverty has promoted economic planners to come up with various programmes that can help in combating it. While most of these programmes have failed to deliver the expected results, certain innovative efforts hold out fresh hopes. One of such effort is the formation of self-help groups for enabling the poor to participate in the process of development

In recent years self help groups have become significant institutions for rural development. This has been particularly so in the case of poor women. It is now been increasingly realised that instead of

targeting the individual in the process of development, it would be more useful to adopt the approach of group development. Poor women do not have enough capital to take up any business enterprise on an individual basis. The group approach makes available the collective wisdom and combined resources for any risk.

2.11 Concept of SHG

Self-help group is an informal and voluntary group of neighborhood people with equal status/mindset, formed for fighting for common causes like poverty, illiteracy, violence and deprivation of basic necessities of life. "Self help group is a registered or unregistered group of micro entrepreneurs with a homogenous social and economic background, voluntarily coming together to save small amounts regularly and mutually agreeing to contribute to a common fund to meet their emergency needs on mutual help basis."¹⁵

A self help group (SHG) is a small economically homogenous and affinity group of rural poor generally not exceeding 20 members voluntarily coming together;

- To save small amounts regularly,
- To mutually agree to contribute to a common fund,
- To meet their emergency needs
- To have collective decision making,
- To solve conflicts through collective leadership and mutual discussion,
- To provide collateral free loans with terms decided by the group at market driven rates.

Self help groups have become an important instrument in the delivery of micro finance services like savings and credit for the poor, especially women. Self-help is one of the attributes of co-operation, as a form of economic organisation; besides economic self-sufficiency it also envisaged propagation of a value system. Since the poor do not have enterprise as individuals it has to be realised at the group level the

delivery system has to fill the gap. The poor can improve their economic situation primarily on the basis of self-help.

An SHG may be defined as an informal association consisting of 20 or less members and created voluntarily to reap socio economic benefits on the basis of mutual help, affinity solidarity and joint responsibility.¹⁶ (Shylendra 1999). The benefits include obtaining easy savings and credit facilities and pursuing income generating and other social activities.

SHG's are mostly informal groups whose members have a common perception and impulse towards collective action. These groups promote savings among their members and use the pooled resources to meet the emergent needs of their members, including the consumption needs. Sometimes the internal savings are supplemented by external resources loaned/donated by the non-governmental organizations that promote them. SHG's are thus able to provide banking services to their members, which may not be sophisticated but are cost effective, simple flexible, accessible to their members and above all without any defaults in repayments of loans. The linking of SHG's to banks helps in overcoming the problem of high transaction costs to banks in providing credits to the poor, by transferring some banking responsibilities such as loan appraisal, follow up, recovery etc, to the poor themselves.¹⁷

2. 12 Functioning of Self Helps Groups

SHG's can come up on their own or through the intervention of voluntary agencies, Ngo's or by officials of financial agencies like banks or by government departments. SHG's have been able to provide primitive banking services that are cost effective and flexible to their members. SHG's have evolved their own characteristics of functioning.

- (a) Group members usually create a common fund by contributing their small savings on a regular basis.
- (b) Groups evolve flexible systems of working and manage pooled resources on a democratic way.

- (c) Groups consider loan requests in periodic meetings and competing claims on limited resources are settled by consensus.
- (d) Loans are given mainly on trust with minimum documentation and without any security.
- (e) The loan amounts are small frequent for short duration and are mainly for unconventional purposes.
- (f) The rate of interest varies from group to group and also depends on the purpose of the loan. The rates are higher than banks, but much lower than that of moneylenders.
- (g) At periodic meetings besides collecting money social and economic issues are also discussed.
- (h) Defaults are rare due to group pressure and transparency about the end use of credit.¹⁸

In rural context, the SHG 's have facilitated the poor, especially the women to overcome the existing constraints grappling the formal credit institutions. These groups provide considerable social protection and income opportunities to their members. These emerging rural institutions have sought to explore new ways and alternatives, based on value system that introduces new type of relationships and takes into account the social and economic aspects of collective living and livelihood improvement. Besides these also facilitate the poor women to overcome the difficulty of providing collateral to raise finance to initiate micro income generating activities and due to better performance, the SHG's have acquired a prominent status with a view to maximise social and financial returns.

2.13. Development of Self Help Groups

2.13.1 Global

APRACA (Asian and pacific regional agricultural credit association) is an association of central banks, rural development banks and rural

commercial banks and is one of the four regional agricultural credit associations (RACA) originally promoted by the United Nations food and agriculture organisation (FAO) established in 1977 with an emphasis on agricultural credit, it subsequently broadened its scope towards rural finance .At a workshop held in may 1986 in Nanjing, China, the member countries adopted a novel programme of access to formal financial institutions for the poorer sections of the population. This involved a financial system built around self-help groups as grassroots intermediaries.

APRACA members have discussed the essentials of a sound policy for financial market development, and several guiding principles have emerged

The first APRACA countries to design pilot project were Indonesia, Nepal, Philippines and Tailand.In Indonesia the pilot project was started in 1988.

2.13.2 Self Help Groups in India

Self help groups form the basic constituent unit of the micro finance movement in India. The Indian experience shows that the non-involvement of people has led to an attitude of total dependence on the government for every developmental efforts leading to lack of effort and accountability of people. There were also instances in the seventies and eighties in other developing countries like Kenya, Korea, Bangladesh and Nepal were the various credit programmes for agriculture and rural development, when modeled on participatory approach showed better impacts and results. Based on these experiences the international agencies like World Bank and International Labour Organization have taken interest in this area.

The existence of traditional savings groups has been well documented and has long and successful history in India. Informal SHG's oriented to savings and credit functions are not a new phenomenon.¹⁹ Some forms of credit instruments were in operation even before 1904,

when the co-operative credit societies Act was passed. Credit instruments such as Nidhis and Chit funds were popular especially in south India. They had several distinguishing features such as to encourage thrift, mobilize small savings and inculcate in the members the habit of punctuality and planning for future. The useful role played by these instruments in rural areas as an important source of credit to people with moderate needs were well recognized.

Co-operative societies Act 1904 was a hallmark in the process of credit mechanism in the country. The main objective of co-operative credit societies was to bring together people of small means for fostering thrift and mutual help for their economic betterment. Perhaps the large size and heterogeneous economic status of the members forced to delegate the decision-making power to small group of well off and influential members. As a result the small group got an edge over all the members of the society and the very objective of the forming of the society was defeated.

The SHG's became a regular component of the Indian financial system since 1990's. The groups have been recommended to be informal to keep them away from bureaucracy and corruption, unnecessary administrative expenditure and legal constraints. The size of 20 has been made mandatory because any group larger than this would need to be registered under Indian legal system. There is however some thing beyond this. These groups are expected to foster true democratic culture where all the members participate actively by taking part in the debate and decision-making process, which is possible only in small groups. Other wise when the groups became bigger direct democracy tends to become indirect democracy-a coterie of decision-making and formation of vested interest within the group. Groups are expected to be homogenous so that the member's do not having conflicting interests and all the members can participate freely without any fear and adverse consequences. These are the features, which distinguish small homogenous and informal SHG's from large heterogeneous and formal

co-operatives although both are found in the same principle of co-operation.

Since the 1970's numerous non-governmental organizations in India had begun experiments in micro financing to address poverty issues and create self-employment for women. Nabard during the early eighties conducted a series of research studies independently which showed that despite having a wide network of rural bank branches that implemented specific poverty alleviation programmes and self employment opportunities through bank credit for almost two decades a very large number of the poorest of the poor continued to remain outside the fold of the formal banking system. These studies also showed that the existing banking policies, systems and procedures and deposits and loan products were perhaps not well suited to meet the most immediate needs of the poor. It also appeared that what the poor really needed was a better access to their services and products rather than cheap subsidized credit. Against this background, a need was felt for alternative policies, systems and procedures, saving and loan products, other complementary services and new delivery mechanisms which would fulfill the requirements of the poorest, especially the women members of such households. The emphasis therefore was the access of the poor to micro finance rather than just micro credit. The launching of its pilot phase of the SHG-bank linkage programme in Feb 1992 could be considered as a landmark development in banking with the poor .The SHG informal thrift and credit groups of the poor came to be recognised as bank clients under the pilot phase.

Official interest in informal group lending took shape during 1986-87 when Nabard supported and funded an action research project on "savings and credit management of self help groups" of an Ngo in Karnataka.²⁰

2.13.3 -Self Help Group Approaches in India

The self-help group approach to the development of rural poor especially women, the marginalized group appears to be an effective and

viable proposition as a supplementary micro credit delivery system. In India the Ngo's involved in the promotion of SHG's have evolved a number of approaches and strategies as given below.

2.13.3a. The basic self help group model and minor variation their of

Members under the basic self-help group model generally are women and they are mobilized and organized into SHG's. The size of the SHG is neither too large i.e. less than 20 nor more than 10, as they have many more important activities to perform in addition to saving/loan activity. These groups serve as a forum of poor rural women to,

- 1 Voice their opinions /views and take decisions,
- 2 Interact with one another on group issues,
- 3 Share their experiences
- 4 Exchange ideas and raise their voices on various social issues,
- 5 Initiate collective action on a wide range of social personal and economic issues.

The SHG members select their own leader, secretary and treasurer and hold regular meetings. The Ngo's provide capacity building inputs to the SHG members so that they will be in a position to function as a grass root unit in an effective manner, serving the various needs of the members. Savings activity, which leads to capital accumulation, is one of the compulsory and important feature of SHG activities .The amount of money to be saved is fixed by the group members themselves. After a period of one or two months of consistent savings (say six months or so) the SHG starts rotating their savings in the form of small internal loans for micro enterprise activities and other purposes including consumption as may be decided by the members. The group will decide the interest rates to be charged for the internal loans, the repayment schedule, the amount of fine in case of default, the lead time for sanctioning and the specific purposes for which loan s will be given etc.

These SHG's performed well in rotating the savings and assisted with external funds through linkages with banks and other financial intermediaries. The Ngo act as promoters and catalysts, facilitating the establishment of the micro finance system that is capable of bringing economic social political and personal empowerment to the poor clients. In India DHAN Foundation, MYRADA, Gandhi gram Trust, LEAD etc are the living examples of this model.

2.13.3b The federated SHG model

Under this approach, several SHG's are brought together under a single umbrella to form a federation. A major benefit of this approach is that it helps to overcome the limitations of individual SHG's. Federations are usually registered under the societies registration act and usually have 1000-3000 members.

In some cases there is a distinct three-tier structure, the SHG that is the basic unit, the cluster as intermediary unit and an apex body a federation that represents the entire members. At the cluster level, each SHG participate directly in the representatives body with two members from each SHG attending the monthly cluster meetings. Information from the group to the federations and vice versa is channalised through the cluster level representative body. The federations are engaged in the following activities.

- 1 Enabling the SHG's to access and manage external funds, especially from micro finance wholesalers.
- 2 Assisting in the promotion of newer SHG's and also the strengthening of existing groups through capacity building training.
- 3 Facilitating inter group exchange (both financial and non financial)
- 4 Helping in maintaining linkages between shg's and other agencies acting as advocates for member groups.
- 5 Assisting SHG's with loan recovery and dealing with paucity of funds and idle money, which have both been problems in SHG models and to,

- 6 Productively channelise the idle money of SHG,s from where from the demand for loans is much lower than their available money supply and in undertaking group ventures.

The examples of this model in India are PRADAN, DHAN, MYDARA, CARE India, and CDS system in Kerala.

2.13.3c The Rural industries promotion SHG framework

This model attempts to facilitate the delivery of a total package of services to members in SHG's. The establishment of a structure which manages "typical industrial activity like a private limited company for by and of women from SHG is the key objective. It is based on the premise that many poor people who are self employed in the informal sector are affected by globalisation. Therefore in order to help the poor people to build assets and livelihoods in a sustainable way, an enabling environment is created for the promotion of productive ventures including access to,

- 1 Market intelligence information and commercial market linkages,
- 2 Appropriate technology and methods to improve productivity and efficiency,
- 3 Health and social security systems.
- 4 Promotion of management expertise for individual and collective enterprise and,
- 5 Know-how linkage, bargaining power and tie-ups for equipment and raw material supplies.

The MYDARA is an example of this type.

2.13.3d The pure/adapted Gramin replication approach

The basic unit in this model comprises joint liability groups or the solidarity groups consisting of 5 members .The group is provided initial training covering various topics related to credit management. The group becomes eligible to borrow from the MFI, when the group comes out successful in this test. Members pay a onetime membership fee of Rs 10

and seven groups constitute a center. Meetings are normally held weekly and the members have to contribute a certain amount. Usually 5% of all loans disbursed to a group is deducted as group tax and deposited in the group fund account. In addition members also contribute some amount of voluntary savings.

This type of model generally offers a combination of loan products to its members, depending on the purpose such as general loans, seasonal loans, housing loans etc. Interest rate of 15-24% is charged on the loans, which are repaid in a year. Members are also eligible to avail repeat loans subject to their good repayment record and performance. SHARE, ASA is the examples of this model.

2.13.3e Urban co-operative banking model

Saving groups under this model comprise 10 to 50 members whose deposits range from 10 to 25 rupees per month. Deposits are collected from the houses of women by bank staff (saving mobilisers). When assessing the loan application of a member, greater emphasis is placed on her ability to save regularly rather than on collateral or other forms of security. The ability and motivation to save is an important pre-condition that a potential client has to satisfy in order to obtain credit. The client's income generating ability, financial status and viability of the proposed business venture and her ability to repay are considered by the loan committee at the time of scrutiny of the loan applications. The client has to necessarily open a savings account with the bank before she can avail herself of credit facilities. Repayment is kept very flexible to accommodate the needs of the poor women. The normal period over which the loan is to be repaid is 36 months. In the event of the members experiencing financial difficulties, rescheduling of repayment is also done. Among the productive type loans there are three basic categories offered.

1. For working capital
2. For buying tools of trade

3. For capital investments like a house, a store or workspace.

SEWA bank is an example of this model in India.

2.13.3f The co operative solidarity model

Under this model women organize themselves in to neighbourhood loan group of 5-15 members. These solidarity groups comprise of women who are resident of the same area and lived there for period of more than years. The credit programme organizers conduct orientation meetings for the group before they are formally registered. Prior to initial sanction of loans there is an assessment of the applicants poverty status, type of business in order to determine its size and nature, ownership of the enterprise and also residential status among other things. Loans to members are recommended by the group and approved by the organizer. Prior to the first loan, the groups are registered and the members became shareholders and acquire shareholdings according to the amount they want to borrow.

The loans fixed will depend on the enterprise to be financed, the track record of the participant with regard to repayment of the previous loans, attendance at group meetings and so on. Apart from these general loans, special loans are also given for technology, marketing and housing which are usually availed by clients, who have availed more than three loans.

2.13.3g The co operative networking frame working

The thrift co-operatives are the primary entities in this micro finance system usually from the same village. The wtc/mtcs are divided into smaller groups of 10-15 members to facilitate better monitoring of thrift and loan payments. Each group nominates a leader among the members who is responsible for convening group meetings, collecting savings and monitoring loan repayments. Some of these wtc/mtcs have registered themselves under the Apmacs Act 1995, which gives them greater autonomy, and flexibility to operate as compared to the earlier co-operative act.

All the members of the primary co-operatives constitute the general body and adopt a uniform set of by laws. A set of geographically contiguous co-operatives federate to form an association of women's /men's thrift co-operatives. The chairperson and managing director of each participating co-operative are members of the general body of the association. Example cdf, Macs.

2.13.3h The co-operative Gramin hybrid model

The institutions practicing this model are generally mutual benefit societies or mutually aided co-operative societies registered under APMACS Act. Within the co-operative form. Joint liability groups of five members each are formed to provide loans, the other four members act as guarantors for the loan taken by the fifth member. Training is provided for borrower especially the inculcation of credit discipline. Ten to fifteen groups form a society (unregistered) and eight to ten societies comprise a branch, which is a federation type structure. There are three kinds of savings products offered,

- 1 Thrift, which ranges from Rs 20-200 per month per member, interest is paid to the members on the amount saved. The thrift deposits cannot be withdrawn until the concerned member desires to relinquish membership in the Macs.
- 2 Members can also make a recurring deposit under which they can deposit a specified amount every month for a specific period, interest of 12-15 % is paid on such savings product.
- 3 Fixed deposit schemes are also available under this model and the members make a lump sum payment for a specified period. The interest paid on FDR ranges anywhere between 12-15% per annum.

Although different types of loans are offered to the members they can generally have only one loan at a time. Loans are provided for several purposes including,

- 1 Hospitalisation and emergencies
- 2 Occupational emergencies
- 3 Redemption of high cost debts
- 4 Educations
- 5 Acquisition of productive assets in the name of members or for working capital requirements.

In India Mahila vikasa is an example of this model.

2.13.3i The training cum production center approach

This approach provides loans for raw materials .The production center serves as an apex body and it is registered more often as a society under the societies act. The staff of this center organizes the poor women within the geographical area into small groups of 5-10.These groups are then provided extensive training in the specific processes involved in any production activity. The members of each group are then issued the raw materials required for particular production process that they are trained in. The value of raw material is credited to their name as the loan amount.

The production activities are normally carried out on the premises of the production center itself. The women work in groups as per their shift allocations. The finished products of the members are taken back by the production center for a fixed rate.

Interest at the rate of around 12% is charged on the loans, deductions are made from the purchase price of goods to provide a compulsory savings at the rate of 10%of the net income of a member. An emergency fund is also created to meet expenditure arising out of unforeseen circumstances. Here too deductions are made from the purchase price of the finished goods to provide for this fund. The emergency fund contribution is 5% of net income. The production center provides marketing support and the final output derived from the production activity is sold in the market by the organisation. Any surplus of sale proceeds, after deducting the cost of production and other

charges is distributed among the members. The best example of this approach in India is SKVIS.

2.13.3j The NBFC approach

The structure of this model is same as that of a non-banking financial corporation. The BASIX in India is cited as an example of this model.

2.13.4. Self Help Groups in Kerala

The success of SEWA of Ahmadabad, Mydara of Mysore and several other experiences in different other parts of the country, has attracted many states for replicating the strategy. It has been widely accepted that the programme, if taken up and implemented in the right direction would be very effective in poverty eradication and women empowerment. SHGs in Kerala have made significant strides in this field. Earlier efforts made by some NGO's were confined mostly to a few areas or remained rather scattered, making the concept relatively unknown and non-replicable. Historically many church based development institutions in Kerala have been promoting credit unions. A credit union is a typical system, which organizes the poor in to large groups of 150-200 members and pooled their megre savings for their common benefit. Here the basic objective has been to help the poor meet emergent needs and come out of the clutches of moneylenders. These credit unions lacked the participatory decision making found in SHGs. During the late 1980's this drawback was realised and under the guidance of Nabard many voluntary agencies reorganized their credit unions into smaller and more effective SHGs.²¹

Non-governmental organizations also intervned in this area in Kerala. Ngos have been identified as the best promotional agency because of their long experience in working with local people. The success stories of Sreyas in Malappuram Rastha in wayanad etc reveal their contribution towards nurturing and making women group's self-

reliant. NGOs under the guidance ship of Nabard have also promoted groups in Kerala.

Then comes the CDS as a new strategy, later became the Kudumbashree mission. The federated self help group model is being practiced under Kudumbashree mission in Kerala.

2.14 Self Help Group Bank Linkage Programme

2.14.1 In India

In India efforts are made to promote micro finance in a sustainable manner. An important vehicle for this has been the SHG programme and its linkage with banks. Self help group's meets the smaller consumption needs of the members from its own savings and common fund generated. As the age of the group increases the capacity of the group and the credit also goes up. By this time the group would have acquired enough experience to manage the finances but the fund available are not adequate. At this stage the groups needs the support of the financial institutions. In India Nabard took initiative in SHG- bank linkage, and started with the resolution adopted at the Beijing conference of the APRACA in 1986 whereby it was decided to take banking to the grass roots. Nabard, a prominent member of APARCA undertook the responsibility of being the 'project holder' in linkage banking in India.

The year 2001-2002 marked a decade of SHG-bank linkage programme in India. It was in 1992 that Nabard had circulated guidelines to banks for financing self help groups under a pilot project that aimed at financing 500 SHG's across the country through banking system. Although different banks financed about 600 SHG's by March 1993, banks continued to finance more and more SHG's in the coming years. This encouraged the RBI in 1996 to include financing to SHGs as a mainstream activity of banks under their priority sector lending. The Government bestowed national priority to the programme through its recognition in the union budget 1999.

2.14.1a RBI guidelines to banks on providing linkages to SHG's

- 1 Banks must give permission to open savings bank account in the name of SHG's
- 2 Banks have to relax norms for margins /security /service area approach for lending to SHG's.
- 3 Banks must treat lending to SHG's as advances to the weaker sections under priority sector.
- 4 Banks should treat the linkage programme as a regular banking activity and a business opportunity and include this in the corporate strategy/plan, that should be monitored /reviewed periodically.
- 5 The programmes must be made a part of the service area plan of the bank
- 6 Defaults by a few members of SHG's and/or their family members to the financing bank s should not ordinarily come in the way of financing SHG's.²²

2.14.1b -Procedure for extending bank finance

- 1 Banks may finance SHG's directly or through bulk lending to Ngo's/VA for on lending to the groups.
- 2 Bank loan may be linked with the savings mobilized by the group .The ratio to savings to credit may be 1: 1 or 1: 2 initially and can be raised to 1:4 depended on the confidence gained by the banks.
- 3 For availing bank finance, group will prepare a credit plan for members and submit a loan application, along with a resolution of the group inter-se agreement .The office bearers of the Shg with the bank will execute loan agreement.
- 4 Rate of interest will be,

Bank to SHG, as decided by bank

Banks to Ngo's as decided by the bank in negotiation with Ngo, s

Ngo's to SHG's, as decided by the Ngo's in negotiation with SHG's.
SHG's to members, as decided by the SHG's.

- 5 The repayment period is fixed as follows,
 - a. Banks may prescribe an appropriate repayment period in consultation with the group.
 - b. The loans from banks to SHG's have to be normally repaid in regular monthly installments
 - c. The group decides the repayment period and other terms of the loan from SHG to members.
- 6 Security and margins
 - a. RBI has relaxed the security and margin norms for SHG's
 - b. Mutual trust and confidence among the members, unit and cohesiveness of the group and peer pressure form the collateral for the bank.²³

In 1992 Nabard launched a pilot project for linking SHGs to banks including commercial banks, regional rural banks and commercial banks. The objectives of this programme are,

- 1 To evolve supplementary credit strategies for meeting the credit needs of this poor by combining the flexibility, sensitivity and responsiveness of informal credit system with the strength of the technical and administrative capabilities and financial resources of the formal credit institutions.
- 2 To build mutual trust and confidence between the bankers and the rural poor.
- 3 To encourage banking activity both on the thrift as well as credit sides in a segment of the population that the formal credit institutions usually find it difficult to cover.
- 4 To improve the flow of credit to the rural poor with reduced transaction cost, both for the financing bank and the borrower.

2.15 Growth of SHGs in India

2.15.1 Different models of linkage

The linkage between the self-help groups and the formal financial institutions has to be on a symbolic relationship. Indian banking system has attempted to involve the public sector-banking network in the provision of micro credit to the poor through self-help groups. For the purpose of linking the SHG's to formal financial institutions a number of models are at present working in India. Three different models of promoting credit linkage have been found feasible and are since applied in India.

Model I - Self help groups formed and financed by banks.

In this model, banks themselves taken up the work of forming and nurturing the groups opening their savings accounts and providing them bank loans.

Model II - SHG formed by Ngo's and formal agencies but directly financed by banks.

Under this category Ngo and formal agencies in the field of micro finance act only as facilitators. They facilitate organizing, forming and nurturing of groups and train them in thrift and credit management, banks give loans directly to these SHG's.

Model III - SHGs financed by Banks using NGOs and other agencies as intermediaries

This is the model wherein Ngo's take on the additional role of financial intermediation. In areas where the formal banking system faces constraints the Ngo's are encouraged to approach a suitable bank for bulk loan assistance. This in turn, is used by the Ngo for on lending to the SHG .In areas where a very large number of SHGs have been financed by bank branches intermediate agencies like federations of SHGs are coming up as links between bank branch and member SHG's. These federations are financed by banks, which in turn finance to their

member SHG's, Table 2.3 shows the model wise distribution of the cumulative number of SHG's set up in India after a decade of SHG-bank linkage programme in India ie 2002 and after two years ie in 2004

Table 2.3

Model wise distribution of cumulative number of SHG's set up (in percentage)

Models	Up to March 2002	Up to March 2004
Model I	16	20
Model II	75	72
Model III	9	8
Total	100	100

(Source; Nabard and micro finance Progress of SHG linkage in India 2002 and 2004).

Figure 1

Model wise distribution of cumulative number of SHG's set up (in percentage)

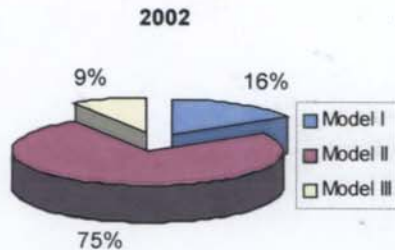
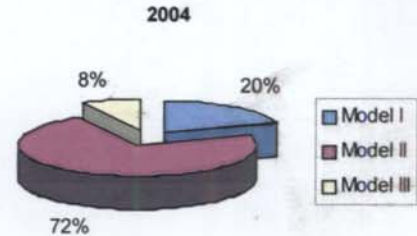


Figure 2

Model wise distribution of cumulative number of SHG's set up (in percentage)



On an analysis of emerging models it is observed that in 2004 model 11 is the most popular one with 72% followed model 1 with 20% and model 111 with 8%. As far as model 1 is concerned it has increased from 16% to 20% from 2002 to 2004. This reflected an increased role of the banks in promoting and nurturing SHG's in India. Model 11 continues to have the major share. It was 75% in 2002, a slight decrease was recorded i.e. 72% at the year 2004.

The banking system comprising public and private sector commercial banks, regional rural banks and co operative banks, have joint hands with several organizations in the formal and non-formal sectors to maintain this informal delivery mechanism for providing financial services to a large number of poor. Indian micro finance programme is considered as the worlds largest micro finance programme in terms of its out reach. The social intermediation for forming and nurturing SHG's in today handled not only by a large number of Ngo's but also by several community based organizations like farmers club, local bodies, field level workers of governments and even bank staff.

We can understand the growth of SHG's in India in the light of Nabard's objective of reaching 100 million poorest by the year 2007. The cumulative number of SHG's credit linked aggregated 1597804 as on march 31st 2005 bringing an estimated 83.5 million very poor families within the fold of formal banking services.²⁴ The bank loan disbursed under the programme has reached 68660 millions as on 31st march 2005 and Nabard's refinance amounts to 30920 millions. Table 2.4 shows the cumulative progress of shg-bank linkage programme from 1992-2005

Table 2.4

SHG- bank linkage programme in India cumulative progress

Year	SHGs linked	Bank loan (millions)	Nabard refinance (millions)
1992-93	255	2.9	2.7
1993-94	620	6.5	4.6
1994-95	2122	24.4	23.0
1996-96	4757	60.6	56.8
1996-97	8598	118.4	106.5
1997-98	14317	237.6	213.9
1998-99	32995	570.7	520.6
1999-2000	114775	1929.8	1501.3
2000-01	263825	4808.7	4007.4
2001-02	461478	10263.4	7960.0
2002-03	717360	20487.0	14188.0
2003-04	1079091	39042.0	21242.0
2004-2005	1597804	68660.0	30920.0

(Source Compiled from Nabard Annual reports 1999-2005)

The number of new SHG's financed by banks during 1999-2004 given in Table 2.5 Shows that there has been an impressive growth in self-help group's bank linkage programme, the number of SHGs financed during 1999-2000 was 81740, it is 518713 in 2004-2005.

Table 2.5

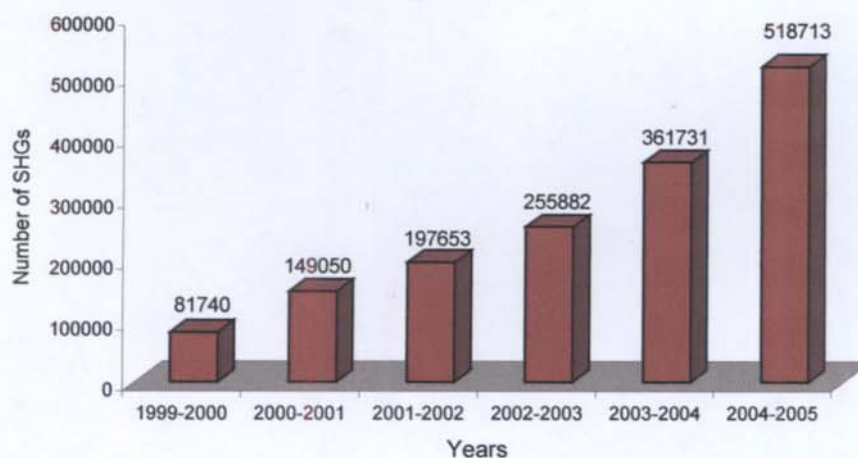
No. Of new Shgs financed from 1999-2004

Years	No of SHGs financed
1999-2000	81740
2000-2001	149050
2001-2002	197653
2002-2003	255882
2003-2004	361731
2004-2005	518713

(Source : Compiled from Nabard annual reports various years)

Figure 3

No of SHGs financed (1999-2005)



The number of families assisted under linkage programme has increased from 4335 during 1992-93 to 83.5 lakhs during 2003-04. The average loans per SHG also shown a buoyant trend from Rs 11764.71 during 1992-93 to Rs 36180 in 2003-04. (Vide Table 2.6)

Table 2.6

No. Of Families assisted through SHG Bank Linkage programme

Year	No of families assisted	Average loan per SHG (Rs)	Average loan per family (Rs)
1992-93	4335	11764.71	692.04
1999-2000	1390260	16617.75	977.51
2001-2002	3360101	27600.90	1623.58
2003-2004	8350000	36180.00	4675.45

(Source: Compiled from Nabard Annual reports)

Many state governments, banks and other agencies accorded high priority to the programme in the states and areas of operation, thereby increasing the absolute number of SHGs receiving bank credit in those states and regions .It can be seen that the banking system comprising commercial banks, regional rural banks and co-operative banks have joined hands with several organizations for providing financial services to the poor. These banks are treated as the partner agencies of Nabard SHG- bank linkage programme. During the year 2003-2004,35294 branches of 560 banks participated in the SHG- bank linkage programme. Table 2.7 below shows the number of participating banks in the SHG- bank linkage programme from 2001-2004.

Table 2.7

Distribution of the No of participating banks

Banks	2001	2002	2003	2004
Commercial banks	43	44	48	48
Regional rural banks	177	191	192	196
Co-operative banks	94	209	265	316
Total	314	444	505	560

Source: Annual reports Nabard

It is seen that commercial banks share is highest as regards the financial assistance to self-help groups in India. Out of the total number of self help groups linked up to 2004,50% of them with commercial banks, and 58% of financial assistance is provided by the commercial

banks. Table 2.8 exhibits the Agency wise cumulative number of SHG's linked and financed up to 31st march 2004.

Table 2.8

Agency wise cumulative No. Of SHGs Linked and financed up to 2004

Banks	SHG's linked	%	Bank loan (millions)	%
Commercial banks	538422	50	22548	58
RRB's	405998	38	12782	33
Co-op banks	134671	12	3712	9
Total	1079091	100	39051	100

Source Annual reports Nabard

2.16. SHG- Bank Linkage Programme in Kerala

Kerala is one of the states in southern region in implementing the SHG-bank linkage scheme. The role of Nabard in the growth of SHG's in Kerala is worth mentioning. Beside the financial support, their guidance in group formation and imparting of training in leadership, maintenance of records, bookkeeping and accounts have been a sound footing to many SHG's.

The progress of SHG- bank linkage programme in Kerala from 2001 to 2004 is given in Table 2.9

Table 2.9

Progress of SHG- bank linkage in Kerala

Years	No. Of groups	Cumulative no. Of groups	Bank loan (millions)	Cumulative bank loan (millions)
Up to 2001	9625	9625	191.72	191.72
2001-02	5134	14759	148.30	340.72
2002-03	6251	21012	304.85	644.87
2003-04	12716	33728	584.19	1229.06

Source Annual reports Nabard

The progress of SHG bank linkage schemes over the period shows that the number of groups increased from 9625 during 2001 to 33728 in 2004 and bank loan mobilized under the scheme has witnessed a phenomenal rise from 191.72 millions from 2001 to 1229.06 millions in 2004.

The district wise details of SHG- bank linkage scheme is presented in Table 2.10. The Table presents the details regarding the cumulative number of groups formed and the bank loan availed by the groups in various districts in Kerala up to 31st march 2004.

Table 2.10

District wise cumulative progress of SHG- bank linkage scheme in Kerala (up to 31st march 2004)

Districts	Cumulative no. of SHG's	Bank loan (millions)
Trivandrum	1828	43.11
Kollam	2559	134.40
Pattanamthitta	1230	55.01
Allappuzha	3598	146.11
Kottayam	1578	59.21
Idukki	4827	209.50
Ernakulam	2281	56.27
Trissur	3568	218.37
Palaghat	1060	31.94
Malappuram	3303	62.38
Kozhikode	1476	37.38
Kannur	2062	51.79
Wayanad	3815	108.39
Kasaragod	543	19.33
Total	33728	1229.06

(Source Annual reports Nabard 2004)

It is found that up to march 31st 2004 there are 33,718 self help groups in Kerala and bank loan availed is 1229.06 millions. Among the 14 districts Idukki is reported to have highest number of self help groups (14.31%), lowest being Kasaragod (1.61%), Allappuzha, Trissur. Wayanad and Malappuram are other districts leading in the formation of SHG's and

in the implementation of linkage scheme The district Trissur is highest in the case of bank loan (17.77%) and lowest is Kasaragod (1.57%)

2.16.1 Model wise self help group linkage in Kerala

The linkage model as practiced in Kerala can be found in Table 2.11. It is found that in Kerala as against in national level model 111 (SHG's financed by banks using Ngo's as financial intermediaries) is prominent with 14696 (43.75%) up to 31st march 2004. The amount of loan disbursed in Kerala is more under the model 11 up to 31st march 2004 with 599.54 millions (48.78%).

Table 2.11

Model wise cumulative No of SHG's and bank loan up to 2004 in Kerala and India

Model	Kerala		India	
	No.	Bank loan (Millions)	No.	Bank loan (Millions)
Model I	5629 (16.69%)	236.39 (19.33%)	217624 (20.16%)	5498.69 (14.08%)
Model II	13403 (39.74%)	599.54 (48.78%)	777326 (72.03%)	31647.17 (81.06%)
Model III	14696 (45.75%)	393.13 (31.99%)	84141 (7079%)	1896.21 (04.86%)
Total	33728	1229.06	1079091	39042.08

Source Annual reports Nabard 2004

Agency wise data shows that in Kerala, as in the case of national level, commercial banks have the greatest participation, with 21378 (63.38%) SHG's with a bank loan of 785.91 (62.32%) millions out of the total of 1229.06 millions. Table 2.12 given below shows the agency wise cumulative participation of banks in Kerala and India, up to 2004.

Table 2.12

Agency wise cumulative No of Shgs

Agency	Kerala		India	
	No.	Bank loan (Millions)	No.	Bank loan (millions)
Commercial banks	21378	785.91	538422	22548.29
RRB's	5365	135.72	405998	12782.58
Co-op Banks	6985	307.43	134671	3711.21
Total	33728	1229.06	1079091	39042

Source Annual report Nabard 2004

The SHG Bank linkage programme has proved to be a successful model wherein the outreach has expanded substantially within a small time frame. The formal banking sector found this technology appropriate to expand their business portfolio for micro enterprises at low transaction costs. Several studies taken up on the aspects of impact of SHG lending on bank branches indicate a reduction in the bank transaction costs. A study in south India in the initial years of the programme itself estimated that the reduction in transaction costs to an extent of 41% as compared to normal individual lending.²⁵ Another study undertaken in four states, RRB's as well as commercial banks and both the models of linkages, i.e. directly to SHGs as well as indirectly through NGOs, observed that the linkage between banks and SHGs worked out to the advantage of both the players.²⁶

C. Micro Enterprise

Micro enterprise sector has grown in importance during the last two decades, this sector has the characteristic of great heterogeneity and diversity. The promotion of micro enterprises or income generating activities for the poor rural women is perceived as a powerful medium to ameliorate several socio economic problems such as reduction of poverty, provision of goods and services appropriate to the local needs, redistribution of wealth and opportunities in the community in general.

"Any legitimate economic activity taken up with a view to increasing income should be considered as a micro enterprise²⁷

Economic development without social development can only increase tensions and frictions with in any society. In developing countries where a handful are rich, ignoring the poor sections of the population is a sure recipe for disaster. In our country, if civilized society is maintained, all developmental efforts have to be people oriented. After many years of centralized planning it is clear that employment cannot be ensured by the government, the industrial and agricultural sector are unable to absorb the growing labour force. Micro enterprises whether informal/organised sector, provides opportunities for gainful employment while preserving the social structure.²⁸ .The micro credit summit held at Washington discussed certain issues and concluded that, the focus should be shifted from micro credit to micro finance and then to micro enterprises.

There is no specific definition of micro enterprises or of rural micro entrepreneurs but the rural non-farm sector would comprise of

- Small and marginal farmers who undertake some agro processing activities
- Rural artisans and craftsmen and those engaged in cottage industries
- Units covered under the Khadi and village industries boards (located in towns not exceeding a population of 50000.involving utilization of local labour and natural resources and with credit requirements not exceeding Rs 50000)
- Tiny industries, with investment in plant and machinery not exceeding Rs 25 lakh,
- All IRDP (industries and small business) borrowers.
- 82 percent of SSI's (with investment not exceeding Rs 1 lakh)²⁹

There is no official definition for micro enterprises in India, though there does exists a definition of unorganized manufacturing sector. This includes the units not covered under the Indian factories Act 1948.In the

absence of an official definition, the units on lower range of the unorganized manufacturing sector (employing less than 6 workers) is being considered as micro enterprises.³⁰

In many situations a working definition is taken to include enterprises employing less than 10 workers under the category of micro enterprises.³¹

Income generating activities can play an important role in improving the quality of life and poverty alleviation, ensuring their success is cost effective and enables the vulnerable groups such as women and disadvantaged communities, to smoothen the seasonal fluctuations in household income. It has emerged as a real boom for the poor and helped in generating additional income for families. Further it is ideal for many poor women who prefer part time employment. Most women conforming to the conventional and traditional roles accept domestic responsibilities as mother and wives, micro enterprises facilitate women to have flexible working hours. The targeted population possesses traditional skills which could be utilized properly by upgrading skills through training as well as extending /providing other support services like credit, marketing. By doing so, not only the targeted groups could be able to utilize their spare time productively but also poverty alleviation will be the outcome due to increased socio economic status.

It also trains them to acquire entrepreneurial ability and at the same time obtain economic independence. Development of income generating activities can help to create immediate employment opportunities involving a number of women at low level. Besides it provides for full utilization of capital and also reduces the wastage human resources particularly women.³²

The concept of micro credit to finance micro enterprise in rural areas has developed considerably during the recent past. It is basically rotational investment done to motivate poor to empower themselves and apply the existing theory of 'save for the future and use those resources during the times of need. Micro credit means making provisions for small working capital loans to take up micro enterprises.³³

The self-help group strategy and the group based activities for income generation is well acknowledged now. There are three types of situation in which the poor members of the SHG may take up income generating activities, (1) They may take up individual activities.(2) They may come together to own common inventories sharing capital and operating costs however their principal economic activity is individual based.(3) They may take up collective activities which are run by the group with responsibilities divided between the members.

The main areas of concern as regards micro enterprises are³⁴

- Identification of demand led potential
- Timely supply/availability of raw materials
- Technology/skill up gradation
- Access to market information
- Availability of proper supportive infrastructure.
- Other backward and forward linkage.

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Another area of concern is the non-availability of adequate and timely credit. Bank needs to develop new financial products and adopt innovative approaches to meet the growing financial requirements of micro enterprises. Micro credit approach in rural areas is meaningful only if poor are empowered with crucial skill to run micro enterprises successfully.

It is acknowledged that activity based groups or associations of the poor could bring a sustainable gain for augmenting the enterprise viability. The main shift from individual activity to group activity leads to higher economies of scale of enterprise operations, leading to better competitive products and collective bargaining power, through higher level of accessibility to market, credit technology, infrastructure and other necessary linkages.

Micro finance programmes are being promoted as a key strategy for simultaneously addressing both poverty alleviation and women empowerment. Where financial services provision leads to the setting up

or expansion of micro enterprises, there are a potential impacts including.

1. Increase in women's income level and control over income, leading to greater level of economic independence.
2. Access to networks and markets giving wider experiences of the world outside at home, access to information and possibilities for development of other social and political roles.
3. Enhancing perceptions of women contribution to household income and family welfare, increasing women's participation in the household decisions about expenditure and other issues and leading to greater expenditure on women welfare.
4. More general improvements in attitude to women's role in the household and community.³⁵

There is no definition to the term women micro entrepreneurs, but there is definition to the term women entrepreneurs. The National standing level committee on women entrepreneurs (Ministry of industry) defines "women entrepreneurs as those who operate and control an enterprise, whose holding in the enterprise is at least 51%" In Kerala the Department of Industries and Commerce has implemented a scheme for providing special incentives to women industrial units since 1979. For the purpose of giving incentives, women entrepreneurs are defined as enterprises owned /organized and run by women, and engaged in small and cottage industries with not less than 80% of the total workers as women.

Prior to the year 1975, women entrepreneurs were not given much importance and they continued to be a neglected category and their ventures mainly included traditional items like handicrafts, food processing, etc. when the UN declared 1975 as the international year of women, the approach towards women entrepreneurs began to change, and both central and state governments announced various schemes to women out, from the household chores in to the main stream of

economically productive activities. Many training programmes were organized; covering various aspects of modern management technique, project implementation etc.

2.17 Categories of women Entrepreneurs

There are mainly three categories of women entrepreneurs. First group consists of women with educational and professional qualifications that take the initiatives and manage the enterprise as well as men can do. Women entrepreneurs who have the basic managerial training and educational qualification usually manage medium and large units. The second group consists of those women entrepreneurs who do not have education or any formal training in management, but have developed practical skills required for the small-scale sector. They choose products with which they are familiar and have ventured in to different types of enterprises like garment making, handicrafts, pickle making, poultry etc. The third group of women entrepreneurs works in cities and slums and rural areas with lower means of livelihood or below poverty line. Usually a group of 10-15 women will be formed in to groups and ventured some economically productive activity. They need government support and the support of the financial institutions /agencies etc in marketing as well as in getting finance in the form of grants /subsidies/loans

The micro enterprises are the new stream of enterprises, which help to solve the problem of poverty, makes social and economic empowerment of women, which is the ultimate aim of new development agenda. Even though there are many hurdles involved in the process of promoting micro enterprises of women through self-help groups, by sustained efforts employment opportunities can be generated. The participation of women in the economic life of a country is necessary for national development .Now the growth of women micro entrepreneurship has become socio- economic significance in a country like India. By opening a large number of small enterprises women entrepreneurs can strengthen their economic and social base, provide employment opportunities and achieve balanced growth

2.18. Micro Enterprise and Empowerment

Micro enterprise programmes target women because of the many barriers they face in setting up businesses and obtaining finance. These include the lack of acceptable collateral, low self confidence, few resources for business, lack of experience and training, heavy family responsibilities, unmarried status, or discouragement from husbands.³⁶

There had a paradigm shift in development process by incorporating the gender concerns as an important element of development strategy. Duly recognized the importance and involvement of women in development, women's empowerment has taken up as one of the main agenda to tackle poverty and socio economic issues.

According to Dr Satya sudaram, the goal of poverty reduction and empowerment of women can be effectively achieved if poor would organize into groups.³⁷ The term 'empowerment' has been widely used in related to women. Several studies have brought out that entrepreneurship raises confidence of women and earns their status and respect in the society .A study of women entrepreneurs in Delhi has brought out that entrepreneurship helps the women in improving their position not only in the family but also in the social environment where people treat them with respect.³⁸ Women entrepreneurship is the best way to empower women. It is very much necessary that more attention is paid to encourage women micro entrepreneurs In an another study it is observed that. Promotion of group enterprises is more suitable for women, the great advantage of group entrepreneurship is that it can be carried out with the poorest of the poor.³⁹

Many well-known writers and researchers have provided wide-ranging definitions of empowerment. Empowerments in broad sense cover aspects such a women's control over material and intellectual resources.⁴⁰ Empowerment in its simplest form means re-distribution of power that challenges the male dominance. It enables women to supplement and co ordinate with men. Empowerment is an active process of enabling women to realize their identity, potentiality and

power in all spheres of their lives.⁴¹ Creation of micro enterprises by women through self-help groups will increase women's agency in the public sphere and promote the general movement towards women's equity which makes both social and economic empowerment.

Several studies pointed out the non availability of adequate finance as the main problem faced by women micro entrepreneurs. Lack of access to adequate start-up capital has been recognized as an important Obstacle to micro enterprise development and growth.⁴² The access to adequate credit plays an important role in both the short- and long-term growth of micro entrepreneurial activities, which are well known to reduce poverty by generating Income and jobs. ⁴³

In this context, it is worthwhile to evaluate the Kudumbashree mission one of the projects meant for the upliftment of women in Kerala.

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KUDUMBASHREE MISSION KERALA, AN EVALUATION

Sreedharan. T. K “A study of micro enterprises under self help groups , with special reference to Kudumbashree mission Kerala ” Thesis. Department of Commerce and Management Studies , University of Calicut, 2006

CHAPTER 3

KUDUMBASHREE MISSION KERALA, AN EVALUATION

3.1 Kerala

Kerala is one of the smallest states in the country (1.3% of India's geographical area and has to feed 3.1% of India's population.) The state Kerala was formed in 1956 by the merging of the erstwhile princely states of Travancore and Cochin and Malabar, a region previously under British rule. Kerala is located on the southwestern tip of India, and the home of approximately 31.84 million people (as per 2001 census) of which 15.5 million were males and 16.4 million were females, living in around 6.5 million households. The density of population is 819 per square km is quite high (even by Indian standards) As per the 2001 census; Kerala has 14 districts and 63 taluks. As per 1991 census, it has 151 development blocks, 131 census towns, 983 panchayaths, and 1384 villages. It also has 28.87 lakh people of belonging to the scheduled castes and 3.21 lakh to the scheduled Tribes, and they constitute 3.92 percent and 1.1 percent of the total population respectively. The table 3.1 shows the population and its growth rate in Kerala and India from 1961-2001 .

Table.3.1

Population and growth rate in Kerala and India

Year	Kerala		India	
	Population (Million)	Growth Rate	Population (Million)	Growth Rate
1961	16.90	24.76	439.2	21.64
1971	21.34	26.29	548.2	24.80
1981	25.45	19.24	683.2	24.66
1991	29.10	14.32	846.3	23.86
2001	31.84	09.41	1028.6	21.34

Source: Compiled from various census reports.

Table 3.3

Persons below poverty line in India and Kerala (%)

Years	Rural		Urban		Rural and Urban	
	Kerala	India	Kerala	India	Kerala	India
1970-71	69	57.3	62.4.	45.9	68	55
1983	47.2	49	47.8	38.3	47.3	46.5
1987	44	44.9	44.5	36.5	44.1	42.7
1993-94	26.7	38.74.	32.7	30.03	27.2	34.37

Source: Datta and Sharma 2000,1

It is seen from the Table 3.3 that 26.7% of rural and 32.7% of urban population are below the poverty line in Kerala.

Historically the position of Women in Kerala has been relatively favorable, especially southern standards.² This is partly due to the practice of matrilineal systems which allow for some degree of inheritance rights among women and provide considerable natal family support for daughters before and after marriage, access to education, relatively late entry in to marriage, high literacy level etc.

Kerala is noted for a remarkably high level of social development among South Asian nations. The total fertility rate has declined from 4 in 1971 to 1.8 in 1997(3.6 in India), and infant mortality rate in 1999(14 per thousand live births) is comparable or superior to other demographically advanced countries. The life expectancy of female in Kerala is the highest in the country (72 years during 1986-91), it is projected as 75 years for females for the period 1996-2001.³ Kerala has the highest Human Development Index and Gender Related Development Index among the Indian states. Kerala has 1058 women for every 1000 men as per census 2001.

Even as Kerala remarks high on indicators of social welfare, however, it has not experienced similar levels of progress economically. The average annual per capita income (net state domestic product) is

(g) Violence against women

The number of rape cases is on the increase;

The number female suicides are also rather high though it constitutes 30 percent of the total suicides; the number of grievances filed before the women's commission shows a disturbing level of violence against women.

(h) Women authority

The participation of women in the Kerala assembly is quite low; only during 1996 did it come to 10 percent;

The number of women in higher position of civil services is also not very high.⁵

An analysis of the trend in credit flow to women beneficiaries by the banks in Kerala for the last years shows the gloomy picture .The table below shows the share of credit flow to women by the Banks in Kerala.It is seen that the credit flow to women by banks is only 5.63 percent of the total advances in 2003.

Table 3.8

Share of credit flow to women by banks (in crores)

Period	Total outstanding Advances	Total outstanding Advances to women	Percent to total Advances
As on March2001	19,180,27	911,88	4.75
As on March 2002	22,061,94	1,425,87	6.46
As on March 2003	27,006,53	1,520,72	5.63

Source: Nabard, credit support to women 2004

Despite achieving international standards in respect of socio-economic indicators, the fact remains that at least 26 percent of the rural population still live below poverty line. Today Micro finance, Micro credit and group approach have emerged as the most successful means for

It can be observed from the table that rate of growth of population in Kerala is decreasing, it was 24.76 percent in 1961, and it is 09.41 percent in 2001 which is lower than Indian average.

In Kerala it is often difficult to differentiate urban and rural areas Table 3.2 shows the pattern of rural and urban population in Kerala from 1961-1991.

Table 3.2

Rural and Urban population in Kerala (%)

Years	Rural	Urban
1961	84.89	15.11
1971	83.76	16.24
1981	81.26	18.74
1991	74.02	26.92

Source: Census of India series 12, Kerala, paper 3 of 1991

From the above table we can observe that Kerala's urban population has been growing at a low rate, and nearly 26.92 % of the population, lived in urban areas in 1991, and the percentage of rural population was 74.02 % in 1991, which shows a decreasing trend over the past years.

The population of Kerala is predominantly Hindus followed by a large proportion of Muslims and Christians, as well as significant Jain and Scheduled tribes. Kerala is considered economically poor. The Table 3.3 illustrates that large proportion of Kerala's population falling under poverty line during 1980-2000; the rate is higher than all India average, although the gap between Kerala and India has narrowed considerably, and poverty remains. Kerala is an agricultural state using mixed farming based on 10 main crops, paddy, tapioca, banana, rubber, coffee, cardamom, arecanut, cashew, pepper and coconut. Table 3.3 gives the proportion of persons below poverty line in Kerala and India.

one of the lowest in the country. According to the 2001 census labour participation in Kerala is one of the lowest (32%) in the country. If we take in to consideration all workers (main and marginal) the female work participation in Kerala declined from 16.61 % in 1981 to 15.85% in 1991, it further declined to 15.28 % in 2001. In fact, the work participation rates for males and females in 2001 in Kerala are lower than the country as a whole. Table 3.4 gives the sex wise work participation rate In Kerala and India from 1981-2001.

Table 3.4

Work participation in Kerala and India, Sex wise (%)

Year	Kerala		India	
	Male	Female	Male	Female
1981	44.9	16.6	52.6	19.8
1991	47.6	15.9	51.6	22.3
2001	50.4	15.3	51.8	25.6

Source: Moli GK Demographic Transition and women empowerment in Kerala, New evidence, Samyukta. A Journal of women studies, Vol 4 No 2 July 2004)⁴

Regarding the trends and pattern of work participation rate, it is seen that the female work participation rate was much lower than males in Kerala. This is also observed that women work participation rates in Kerala was lower compared to all India average.

Table 3.5 exhibits the district wise female work participation rate in Kerala.

Table 3.5

District wise female work participation in Kerala (%)

Districts	1991	2001
Idukki	26.23	28.12
Waynad	23.66	22.84
Kottayam	14.18	13.87
Ernakulam	17.76	17.09
Trivandrum	16	14.37
Palaghat	24.93	21.10
Trissur	20.01	15.06
Pathnamthitta	13.13	13.24
Kollam	17.14	16.65
Allappuzha	23.25	20.21
Kasargod	20.19	20.82
Kozikode	9.18	8.01
Kannur	13.81	15.18
Malappuram	9.52	6.57
Total	16.9	15.28

Source: Census of India tables 1991-2001

According to 2001 Census data we could understand that the district Idukki tops the list with 28.12% (Indian average is 25.7%). Generally, Female work participation rate is much lower in all districts vary between 6.57% in Malappuram and 28.12% in Idukki. This speaks of the enormity of the problem of unemployment among women in Kerala. As compared to 1991 except the districts like Idukki, Pattanamthitta, Kannur all others have declined in their female work participation rate.

Kerala has very high rate of unemployment compared to other Indian states. The unemployment of a large section of the active labour force has been the most serious socio economic problem of Kerala. A notable feature of unemployment in Kerala is the high incidence of unemployment among females compared to males, both in rural and urban areas. The female unemployment rate has increased from

19.percent in 1993-94 to 26.1 percent in 1999-2000 in rural areas and in urban areas it has increased from 27.8 percent in 1993-94 to 28.2 percent in 1999-2000.Table 3.6 exhibits the rural and urban unemployment rate in Kerala

Table 3.6

Rural and Urban Unemployment Rates in Kerala (%)

	1993-94		1999-2000	
	Rural	Urban	Rural	Urban
Male	13.1	14.1	20.0	15.5
Female	19.0	27.8	26.1	28.2

Source: National Sample Survey Organisation, 2001;Sarvekshana 1996.

The characteristic feature of employment in Kerala is its informal nature. Casual and self-employed workers constitute the major category of workers, 84% percent of the rural workers are either self employed or casual labourers. The following table shows the nature of employment of female both rural and urban Kerala.

Table 3.7

Distribution of female workers (Rural and Urban) in Kerala

Category	1993-94		1999-2000	
	Rural	Urban	Rural	Urban
Self employed	55.0	45.8	53	50.9
Regular employed	9.7	26.6	15	31.9
Casual labour	35.3	27.6	32	17.2
Total	100	100	100	100

Source: National sample survey organisation 2000;servekshana.1996

It is suggested that gender discrimination in the labor market is a factor contributing to low levels of economic participation among women in Kerala.More over there has been a tendency for feminization of poverty and the number of female-headed households has been

increasing sharply. The negative indicators of women development in Kerala have been identified by the state govt are given below.

(a) Mild decline in sex ratio of children

The sex ratio has shown a decline in the case of children in the 2001 census.

(b) Relatively unequal property rights

Women hold only 23 percent of the operational holdings in the state; they own only 17 percent of the total area under operational holdings.

(c) Differential wage structure

Differential wage structure between males and females in spite of powerful trade union movement and relatively large participation in trade union activity still persists in the state;

(d) Bias in family welfare programmes

The shifts in permanent methods of birth control in favor of sterilization are true of Kerala also.

(e) Work participation

The work participation rate of women is lower than the national average and those of other southern states.

(f) Gender difference in professional education

The number of girl students in industrial training institute and technical high school is very low;

The trade wise analysis shows that there is a strong gender bias, with girls opting for courses like stenography, dressmaking, secretarial practice, hair/skin care and tailoring;

The number of students in engineering colleges is also low constituting only around 30 percent;

reaching out to the poor and for implementing the various poverty alleviation programmes in Kerala. The programmes have been specially designed, recognizing the important role played by women in shaping the destiny of rural areas and setting the pace of growth.

3.2 Kudumbashree mission Kerala

At international level, important changes took place in the late 1980s in the conception and implementation of development projects. Traditional ways of dealing with poverty, through the planning and action of central or state governments, or private institutions, were costly and reached only a small number of selected people. Public and private institutions in many countries began to address poverty in new ways, based on community solutions and community involvement. This discovered that successful and sustainable development schemes shared a common theme; the inhabitants were involved, from the beginning, in project design and implementation. Kudumbashree mission Kerala is such a project intended for poor women in Kerala, based on community participation and community involvement.

Mission statement

'To eradicate absolute poverty in ten years through concerted community action under the leadership of local self governments, by facilitating organisation of the poor combining self help with demand led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty holistically'

In this chapter an attempt is made to analyze the pattern and growth of Kudumbashree mission Kerala over the past years.

In Kerala, several agencies/government institutions and non-government organizations (NGO's) are involved in implementing specific women development programmes. The major governmental institutions are, Kerala State Women Development Corporation, Kerala State Women's Commission and Kudumbashree.

1. Kerala State Women Development Corporation- Started in 1988 with the objective of social and economic empowerment of poor women providing self-employment and training in modern trades
2. Kerala Women's Commission- Established in 1996 with the objective of improving the status of women in Kerala and to enquire into unfair practices against women
3. Kudumbashree Mission Kerala ⁶

"Kudumbashree" is women based participatory poverty alleviation programme launched by the Kerala state government with the financial support of Nabard and central government. The objective of this programme is to involve the poor actively in planning, managing and monitoring of programmes for their development. Among the different approaches of Self Help Groups, the "federated self help group model" following through this project. The project is implemented through the organizational structure of Community development societies (CDS).

Kudumbashree mission has seven years of experience in the unique development problems facing poor families in Kerala. The kudumbashree mission's successes include the following:

- 1) The organisation of women into self helps groups. This have given them a medium through which to voice their anger and frustration against poverty and to search for their own solutions;
- 2) The establishment of the micro finance scheme, which permits poor families to save and acquire loans to improve their income. This scheme reaches beyond the financial benefits. It also teaches self-sufficiency and self- confidence.
- 3) The establishment of women's thrift and credit societies (informal bank), an organisation working for the benefit of the community and not for profit. This TC&S shall eventually operate as a bank in its own right giving control to the people over their livelihood.

- 4) The formation of micro enterprises of women for their social and economic empowerment.

In the spirit of this movement, Kudumbashree mission had already organized the women in rural and urban areas into women groups. Kudumbashree mission encouraged the women to meet and discuss their common problems and come up with their own solutions. This specific focus on women came from their essential place within Indian Society. Most rural women have multiple roles wife, mother, homemaker and provider and, due to sheer survival pressure, poor women usually run their individual economic activities efficiently. Despite this, formal lending institutions were unwilling to lend to poor women as they lacked collateral and were considered a poor credit risk. The majority of poor households resorted to moneylenders who charged an extortionate rate of interest, many were unable to repay their loans and subsequently lost their assets and/or became bonded laborers.

Kudumbashree, the state poverty eradication mission launched by Government of Kerala has received universal acclaim. Those who are deprived of the basic needs of life and distained to live alienated from the main stream of the society form one fourth of the population of Kerala. The kudumbashree mission aims at alleviation of poverty of this 'target group' in a span of ten years. The project was executed under the leadership of local self-governments through self-help groups. On the 17th may 1998 the functioning of the mission was officially inaugurated and started its operation on the first April 1999. It is a society registered as under the Travancore cochin literary scientific and charitable societies registration Act 1955.

Kudumbashree does not look at the economic backwardness of the society in the angle of poverty alone. It has an integrated approach, housing, drinking water, education, sanitation, employment, health, income, decision making capacity, equality of opportunity, liberty etc are the basic factors on which the approach is founded, only by providing those basic necessities poverty can be eradicated. Under this project

neighborhood groups are formed with area development societies and community development societies to support it. Thus a new model of participatory development strategy has been evolved for the first time in the history of the development of Kerala.

Kudumbashree, the comprehensive poverty reduction programme implemented in Kerala has been promoting the concept of micro credit through its community-based organizations since its inception to address the problems of poor. When Panchayathiraj system (73rd&74th amendment of the constitution of India) was adopted, the local self-governments got the power to plan and execute developmental programmes; Kerala was one of the first states of the nation to seize the big opportunity. The state adopted and launched the 'Peoples planning' for development process, local bodies and Gramasabhas of the state got the supreme power to plan and execute developmental programmes. This "participatory approach" is the basic characteristic feature of the Kudumbashree mission. This model is treated as a new contribution towards the alleviation of poverty through the community participation.

3.3 History-Evolution of Community Based Organizations

In Kerala attempt to poverty reduction by involving community based organizations dated back in 1992. Even before 1992, during the seventh five year plan period, the central govt formulated Urban basic services scheme (UBS) in 1986-1987, aiming at the welfare of the urban poor, especially women and children who suffer the severity of the poverty most. This was done with the assistance of UNICEF. The UBS scheme was implemented in 168 selected towns, in 37 districts of the country. UNICEF, the central govt, and state govts, with co-operation of concerned municipalities, have implemented the scheme jointly. The UBS programme was launched in 13 towns of Allappuzha and Ernakulam districts of the state of Kerala in 1987. This programme which aimed at the development of the urban poor in areas of health /literacy and environment .by imparting awareness and education, with focus on

women and children. Community participation was the corner stone of the programme.

Based on the recommendations of the National commission of urbanization (NCU), the UBS programme was revised and introduced as Urban basic services for the poor (UBSP) programme in 500 towns of the country during the 8th five year plan period, which commenced in the year 1992-93. The UBSP programme was implemented in 16 towns in Kerala. Thus 29 towns in the state of Kerala have benefited of either the UBS or by the UBSP programme. Out of the 16 UBSP towns, Allappuzha, Kollam and Thiruvananthapuram towns were selected as 'demonstration towns' by the UNICEF. For the other towns 60% of the cost of the UBSP programme was borne by the central government and 40% by the concerned state government. UNICEF extended financial assistance for imparting training to the project officials, community organizers, councilors, officers of UPA project cells formed in municipalities and other functionaries. The main objective of the programme was to implement with people's participation, programmes for the health care of children, women and other members of the family, health education and awareness, drinking water, low cost tie-pit latrines, smokeless chula's, creating self employment opportunities for women, low cost drainage facilities, for imparting training to upgrade skills, immunization for children, sanitation, personal hygiene, assistance for children's education, shelter improvement etc

Basic needs which are essential for human life are provided to the urban poor by coordinating and converging the resources and efforts of UBSP, Nehru Rozgar Yojana (NRY), environmental improvement of Urban slums (EIUS) and low cost sanitation schemes (LCS). These are the major poverty alleviation programmes implemented under the urban poverty alleviation division of Ministry of Urban affairs and employment of the central government. The UBSP is not a scheme but a strategy of co ordination and convergence of various inputs and services available to the poor from all the existing schemes, programmes and departments.

3.3.1. Allappuzha CDS A New Approach

Meanwhile in 1992, the community based nutrition programme (CBNP), supported by the UNICEF was introduced in Allappuzha town, converging it with the UBSP programme. Under the UBSP/CBNP programme a comprehensive community based survey was conducted, to assess the impact of the urban basic services programme, which was being implemented in the town since the year 1987-88. All the households of seven wards, out of the 36 wards of the town were covered in the survey. The data revealed by the survey were assessed, analyzed and discussed in the community. This was the beginning of an intensely and emotional involvement of community of the poor in the UBSP/CBNP programme.

The poor women of Allappuzha town came forward to take up the challenge of improving the quality of their life by themselves, received whatever support that came from the govt, the municipality the UNICEF and other agencies through co ordination and convergence. During the analysis of the above survey result, the poor women of Allappuzha began to express their own ideas, firm views and needs .The following were some of them.

- 1) The benefits of the programme should be focused in the poorest among the poor.
- 2) The yardstick of household income which was hitherto be used to measure poverty did not work in the field, as income data are difficult to obtain, difficult to verify and subject to manipulations and under reporting .The women needed an alternative method of identifying the poor by the community itself.
- 3) Men dominate in planning and implementation of all programmes. Women had no role in decision-making.
- 4) The women wanted a formal community structure with powers for planning, implementation, monitoring, decision-making and raising resources.

- 5) The women wanted a community structure to have linkages with the municipality, the govt, the UNICEF and all departments and agencies to receive support and resources. They wanted the community structure of the poor women to become the common platform for all the agencies and departments to facilitate the convergence of inputs and services at the field level.
- 6) They wanted to have an organisation linked to the municipality at local level, so as to function as an outreach service of municipality, but without direct interference in their self-management procedures.

The views expressed by the women folk and subsequent thinking resulted the evolution and development of poverty index with nine demonstratable and verifiable factors, which are correlated, with the poverty status of the families. It was felt that the conventional headcount system was outdated and the preparation of a transparent index based on well-defined features of poverty would be more acceptable.

The term poverty has been defined as a socio-economic phenomenon in which a section of the society is unable to fulfill even the basic necessities of life-food shelter and clothing. A family is considered to be below poverty line (BPL), if it's total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical requirements.⁷. Below poverty line survey's had necessitated with the introduction of the strategies of direct attack on poverty and the integrated Rural Development Programme (IRDP) in 1978. These programmes made mandatory of the assessment of poverty. Targeting is regarded as an attractive way of intervention of poverty alleviation in many developing countries. The rationale for targeting is that the benefits of social returns are higher for the population at the lower end of income distribution than the upper end.

Identifying the poor is important for the success of targeted poverty alleviation programmes .The approaches to identify the poor can

be grouped under three broad categories; means -testing or income criteria, indicator targeting, and self-targeting. Information on income or consumption is used in means test that ascertains whether household income is below the cut off point. If it is possible to conduct a perfect means test, targeting, by income scores over other types. But because of informational and administrative constraints, means test may not be perfect and may induce costly leakages and create adverse incentives. These considerations have led to a variety of schemes for indicator targeting, whereby transfers are made contingent on some correlates of poverty. Indicator targeting can be divided into two types. The first one is similar to means testing and uses some characteristics of households to select beneficiaries. Under this category, instead of income or consumption, information's on variables like landholding; profession or social class is used for targeting. The second type indicator targeting is known as geographical targeting uses the place of residence as a poverty indicator. A model of indicator targeting has been developed by Rao, Naidu and Raju (1998) is based on categorizing the poor according to different characteristics, and did a pilot study in some villages of Andhra pradesh and Karnataka and found this procedure satisfactory.⁸ The first comprehensive BPL survey was conducted in 1985 and the next in 1992 in India. Though these surveys yielded a good volume of data, they were used only to identify people below the cut off line fixed for poverty and suffers from certain defects.

- 1 The data was used to delineate the pattern of poverty in the state and draw policy conclusions.
- 2 The identifications of schemes were not based on any assessment of the data collected but on consultation with the beneficiary.
- 3 The details of the date collected do not involve any transparency
- 4 There were also complaints of political interference.

Considering the problem related to the selection of BPL people and also the criticism from different angles, in 1997, the Govt of India

revised the norms for BPL surveys based on the suggestion by an Expert Group appointed by the Ministry of Rural Development.⁹

The Allappuzha experience of assessing poverty by developing of poverty index was treated as innovative initiatives for poverty measurement. The criteria's for identifying the most vulnerable families who were classified as risk families. The following are the nine factors (criteria's) of poverty index,

- 1 Thatched/kutchcha house /sub standard house or hut
- 2 Absence of latrine
- 3 Only one person in the family has employment
- 4 There is at least one uneducated person
- 5 There is at least one child of 0-5 years old
- 6 Non-availability of drinking water within a radius of 500fts.
- 7 At least one person uses intoxicates
- 8 Family belonging to scheduled caste/scheduled tribe
- 9 Family getting barely two meals a day or less.

Family displaying four or more of the risk factors was classified as high-risk poor.

The risk index proved to be path breaking in respect of the following,

- 1 The factors were simple enough for the community to understand,
- 2 It helped to minimize the patronage and partisanship in the identification of the poor,
- 3 The presence of various factors helped in a holistic understanding of poverty compared to earlier indices,
- 4 The capturing of multiple factors provided an indication of the activities needed to be included in anti-poverty programme.

The original basis for this new evolution was the Health and Nutrition index propounded or developed by Dr V.L Srilatha during her fellowship programme in Haward USA.This was further field tested in Allappuzha in 1992 with community participation. The nine demonstrable

factors to identify poor families by the community itself was thus evolved and developed in 1992 jointly by Dr V L Srilatha of UNICEF and Dr Gopinadhan. It was a very simple and effective tool to identify the rural poor. It is a closed loop system, without much scope for manipulation. Poverty index is a simple enough tool, which can be used by the local community members with even very little education. The UNICEF and the state government approved the Allappuzha CDS bylaws in January 1993.

The success of the Urban based services (UBS) and Urban basic services for poor (UBSP) projects pursued the state government to extend this project at all the urban local bodies of Kerala and on 1994 through a special order directed all the urban local bodies in the state to set up urban poverty alleviation cells and to implement poverty alleviation programmes. The said order which was issued to extend UBSP style of activity to all the urban local bodies of the state as per the 74th amendment of the constitution is based on the section 284 of the Municipal Act 1984 Thus the Community Development Society (CDS) system was practically implemented in all Urban Local Bodies of the State. After gaining experience from the field the 9-point risk indices originally developed during 1992 underwent changes and revised indices formulated exclusively for urban are

Revised Risk Indicators used in Urban Area as criteria for determining the people below poverty line were,

- 1) No Land /Less than 5 cents of Land
- 2) No house/Dilapidated House
- 3) No Sanitary Latrine
- 4) No access to safe drinking water within 150 meters
- 5) Women headed house hold/ Presence of a widow, divorcee / abandoned lady / unwed mother
- 6) No regularly employed person in the family
- 7) Socially Disadvantaged Groups (SC/ST)

- 8) Presence of Mentally or physically challenged person / Chronically ill member in the family colour TV.

The project started at Allappuzha municipality was later known as "Allappuzha Model"

3.3.2 Rural Model -An extension of the Allappuzha model

On 11th Nov 1994, a community based nutrition programme and poverty alleviation projects (CBNP&PAP) started functioning under UNICEF assistance with community participation in the entire areas of Malappuram, one of the most backward districts in Kerala, along with the entire urban areas .Under this project in Malappuram neighbourhood groups (NHG) of poor women were formed. They started thrift mobilisation and channalised financial assistance from RMK and NABARD through this network. NHG.s were also linked with various commercial banks under the linkage banking programme of NABARD.Implementation of Governmental programmes for improving health and sanitation in the district were channalised through these NHG's, pulse pollio immunization programme,RCH programme are the examples of CBNP,s involvment.It is acknowledged that distribution of application for old age pension and other social security measures when routed through CBNP have resulted an effective transfer process. Special programmes for the development of SC/ST population were also undertaken, implementation of DPEP and convergence of various entrepreneurial activities promoted large number of micro enterprises. By seeing the performance, Rural Development Department of Kerala unequivocally decided to utilize the CBNP network for implementation of SGSY programme in Malappuram District.

3.4 Origin of Kudumbashree Mission

In the wake of success experienced in Allappuzha and Malappuram, the Govt of Kerala decided to extend this project further to the entire state under the name "Kudumbashree "project on May 17th 1998.

The state poverty eradication mission of Kerala, alias Kudumbashree (Means prosperity of family) is a holistic participatory women oriented poverty eradication programme which is being implemented by the state Govt with the active support of Govt of India and NABARD. The specific objective of the mission, implemented through the local self governments of the state is .the eradication of absolute poverty from Kerala within a decade. Poor women of the community mobilize their resources, pool it and use for taking up of various developmental activities, spirit of self-help is the guiding principle in this process. The women have organized themselves under a three-tier community development society system (CDS), in each of the 58 urban local bodies and all the gramapanchayaths of the state. Reaching out families through women and reaching out community through families is the guiding slogan of the mission. The organisation structure of the CDS provides a community governance system that enables women from the poorer families to plan, implement, monitor and evaluate programmes for their own development

3.4.1 Aims And Objectives

The following are the aims and objectives of the mission

- Facilitating self-identification of the poor families through a transparent risk index composed of socially accepted indicators of poverty through a participatory survey.
- Empowering the women among the poor to improve their individual and collective capabilities by organizing them into Neighborhood Groups at the local level, Area development Societies at the local government ward level and Community Development Societies at the local government panchayath level.
- Encouraging thrift and investment through credit by developing CDSs to work, as "Informal Banks of the Poor".

- Improving incomes of the poor through up gradation of vocational and managerial skills and creation of opportunities for self-employment and wage employment.
- Ensuring better health and nutrition for all poor families.
- Ensuring access to basic amenities like safe drinking water, sanitary latrines, improved shelter and healthy living environment.
- Ensuring zero drops out in schools for all children belonging to the poor families.
- Promoting functional literacy among the poor and supporting continuing education.
- Enabling the poor to participate in the decentralization process through the CDS, as a sub-system of the local governments.
- Helping the poor to fight social evils like alcoholism, smoking and drug abuse, dowry, discrimination based on gender/religion, caste etc.
- Providing a mechanism for convergence of all resources and services meant for alleviation of poverty in the State

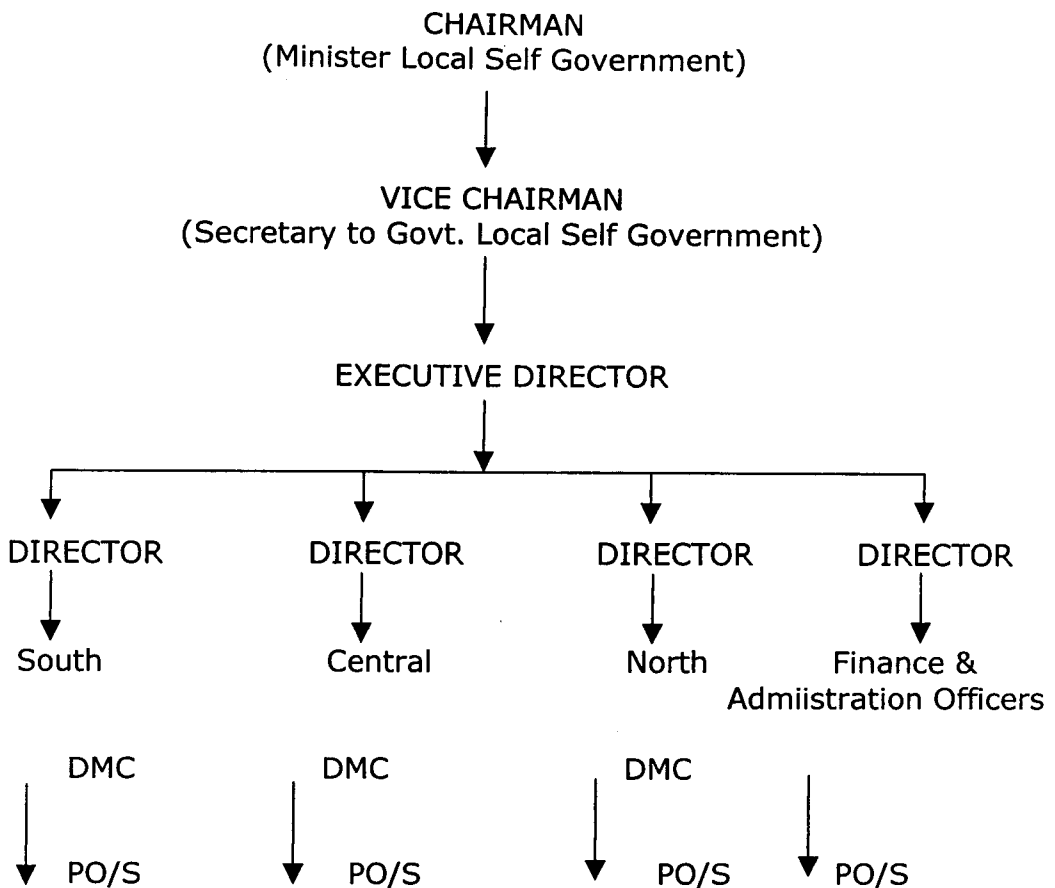
Collaborating with governmental and non-governmental institutions and agencies in all activities related to improving the quality of life of the poor.

The mission has three regional centers.

- 1 Southern region -comprising four of the 14 districts in Kerala.They are Thiruvananthapuram, Kollam, Pathanamthitta, Allappuzha
- 2 Central region -Comprising five districts, Kottayam Idukki, Ernakulam, Trissur, and Palaghat
- 3 Northern Region-Comprising Five districts, Malappuram, Kozhikode, Wayanad Kannur and Kasaragod

3.5 Organogram

Figure 4



3.6 Structure of CBO under Kudumbashree Mission

CDS system is the heart soul, and life of Kudumbashree mission. It is envisaged as a three-tier system of the poor women in Kerala. On the basis of the risk index based survey, conducted with the active participation of the community, the poor households will be detected. By organizing one woman each from the high-risk families of every locality. Grass root level self-help groups called neighborhood groups (NHG) will be formed through out the state. By federating the NHG's at ward level, Area development societies (ADS) will be formed, ADS will get federated to Community development societies at panchayath municipality/ corporation levels.

3.6.1 Neighbourhood groups (NHG/SHG)-Kudumbashree operates through a three-tier community based organisation of poor women. The

lower tier constitutes neighbor group consisting of 20-40 women members selected from the poor families. Meetings are convened on a weekly basis in the houses of NHG members. In the meeting the various problems faced by the group members are discussed along with suggestions for improving situation. Govt officials are also invited to the meeting for explaining the schemes implemented by them. In the weekly meetings all the members bring their thrift, which will be collected and recycled to the members by way of loans. Micro plans are also prepared after taking stock of the situation. In each neighbourhood group from among the poor women five volunteers are selected for undertaking various functional activities.

a) Community health volunteer-She will look after the various health related aspects of the group members including children, women and aged. Convergence of various programmes undertaken by health and social welfare departments are also carried out under the leadership of community health volunteer.

b) Income generation activities volunteer -The collection, consolidation and maintenance of accounts and register in connection with thrift mobilization is looked after by this volunteer. Nabard will impart necessary training for increasing their capacity.

c) Infrastructure Volunteer-Infrastructural backwardness is tackled with the help of various ongoing governmental programmes under the leadership of this Volunteer. She will liaison with the local bodies and act as catalyst for local development.

d) Secretary- the proceedings of the meeting are recorded by the secretary and necessary follow-up including motivation and team buildings are the responsibilities of the Secretary.

e) President--She will preside over the weekly meetings and will impart necessary leadership and guidelines to the group members.

3.6.2 Area development society (ADS)

The second tier is the Area development society, which is formed at ward level by federating 8-10NHG' s. The representatives of the poor elected from various federating NHG's decide the activities and the decisions in the ADS. Area development society is functioning through three distinct bodies via,

- a) General body, Consisting of all Presidents and Secretaries of federated NHG's along with representatives of Resource persons selected from that area.
- b) Governing body, Constituted by electing a president, Secretary and five member committee among the general body.
- c) Monitoring and Advisory committee.

3.6.3 Community Development society (CDS)

At the Panchayath / Municipal level a Community Development Society (CDS), a registered body under the Charitable Societies Act is formed by federating various ADSs. The CDS has three distinct bodies viz.,

General Body - It consist of all ADS Chairpersons and ADS Governing Body members along with representatives of Resource Persons, Officers of the Local Body who are involved in implementing various Poverty alleviation and women empowerment programmes.

Governing Body - The Governing Body consists of President, Member Secretary and five selected Committee Members. The President will be elected whereas the Member Secretary is the Project Officer of UPA Programmes. Other Government Officials and representatives of Resources Persons will be nominated to the Governing Body.

Monitoring and Advisory committee-municipal chairperson/ Chairman or President of the panchayath will be the chairman of the monitory committee, which is convened by the municipal

secretary/panchayath secretary as convener. In urban areas the urban poverty alleviation (UPA) project officer will be the joint convener.

In rural areas, the President of the Gramapanchayath is the patron of the CDS. The standing committee chairperson (welfare), all women members of the panchayats and the Secretary of the Gramapanchayath are ex-officio members of the CDS. The Block Panchayath member/ members of the respective block division/divisions are also ex-officio members of the CDS.

In urban areas, a monitoring & advisory committee at ULB level will be constituted with Mayor/Municipal Chairperson as Chairperson. The Municipal Secretary will be the convener of the committee. In every ULB there is a Urban Poverty Alleviation (UPA) wing & the Project Officer of the UPA will be the Joint Convener. We know that at the inception the activities of Kudumbashree mission was confined to the urban areas and urban and rural areas of Malappuram district. Since 1998 it has been decided to extend its activities in rural areas. It was decided to cover the entire rural area of the state in a phased manner

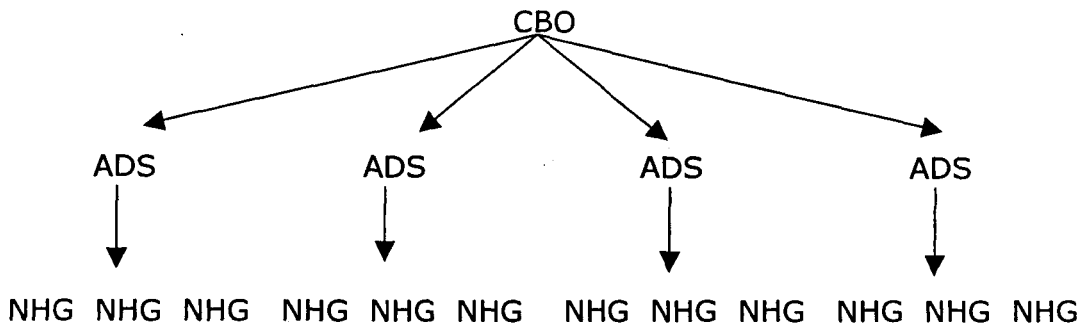
Unlike the urban programme there is a slight variation in the organizational structure and the approach in rural areas.

- 1 Kudumbashree Ayalkuttom (NHG)
- 2 Kudumbashree ward samithi (ADS)
- 3 Kudumbashree panchayath samithi (CDS)

The paradigm shift in the approach is that any woman who is residing in the Gramapanchayath can become a member of the Kudumbashree Ayalkuttom irrespective of the fact that she belongs to " BPLfamily". Since the aspect gives an opening for the APL families to enter into the community structure envisaged by Kudumbashree, it is further ensured that majority of the office bearers should belong to BPL families.

3.7 Organizational Structure of CBO

Figure 5



3.8 Functioning of the CDS System

The aspirations of the poor along with their genuine demands voiced out in the NHG meetings form the "micro-plans", and will be scrutinized and prioritized to form a mini-plan at the level of ADS. After consolidating the mini-plans by judicious prioritization process at the level of CDS, the "CDS Plan" is formed which is also the "anti-poverty sub plan" of the local self government Preparations of micro mini and CDS plan facilitate the poor to participate in planning process as a major stakeholder. The local body monitors the implementation of the plan and thereby proper linkage.coupled with autonomy is ensured in the CDS system. The three-tier system of Kudumbashree mission can act as an effective extension of panchayathraj system especially in the context of decentralized planning process in kerala (Decentralization is a unique experiment in extending and deepening the grass root level democracy to empower the local bodies, which was operationalised during the Ninth plan period in kerala.) Kudumbashree intervention made poor women to participate in the planning process When NHGs are organized in all wards; it can act as a powerful sub system of the Gramasabha/Ward sabhs.

The main characteristics of this system is that it is managed wholly by the representatives of the poor and have the leverage of a Non governmental organization (CDS is a registered NGO) which helps to

channelising additional resources from various sources both internal and external .The CDS at the local body level facilitate both autonomy and effective linkage with local self governments.

3.9 Various Facets of Kudumbashree

Kudumbashree is envisaged as a Mission, a process, a project and a delivery mechanism for the poor. Identification of Kudumbashree can only be made through the various facets. The following facets are visualized for the Kudumbashree Programme.

- 1) Identification of poor families using a non-monitory poverty index
- 2) Organizing the poor to a 3 tier Community Based Organization (CBO)
- 3) Empowerment of women through Community Based Organizations.
- 4) Formation of Informal Bank of Poor women operating round the clock throughout the year, starting from thrift & credit operations
- 5) Formation of micro-enterprises.
- 6) Convergent Community Action.
- 7) As a further step to decentralization process.
- 8) Establishment of rural marketing network through out the State.

3.10 Major activities of Kudumbashree Mission

The major activities undertaken by the mission were,

3.10.1 Balasabhas - They are grass root level groups of children from BPL families. The central theme of Balasabha is *Prevention of Inter generational Transmission of poverty*. It is a platform for their overall development. Vacation classes, Balasangamam are some of the activities. Balasangamam is a one-week programme, which combines education, entertainment & empowerment. Children from various cultures within our state come together, learn, enjoy and share their culture

3.10.2 Ashraya- The Destitute Identification, Rehabilitation & Monitoring Programme -Ashraya is the project to uplift the poorest of the poor whom we call destitute. The project is envisaged to address the various deprivations faced by the destitute families such as lack of food, health problems including chronic illness, treatment for deadly diseases, pension, educational facilities to children, land for home, shelter and shelter upgradation, drinking water, safe sanitation facilities, skill development, employment opportunities, etc..

3.10.3 Lease Land Farming- 'Harithashree' - A large area of cultivable land is kept idle in our State, which largely depends on other states for various agriculture products. On the other hand, there are thousands of poor people who are willing to do cultivation, but not having an inch of land for getting into it. Kudumbashree, in this context promotes lease land farming.

3.10.4 S3 (Self sufficient, Self Reliant, Sustainable) Panchayats - Kudumbashree addresses the multiple deprivations faced by the poor family which consist of food, health, education, basic amenities such as shelter, drinking water, safe latrines, employment etc. While addressing these issues as a package, it is the experience of the Mission that poverty reduction will foster economic development and local economic development will lead to sustainability and prosperity. The total development has a strong bearing on poverty alleviation initiatives.

Kudumbashree has evolved a project to build model in select panchayats on total development concept. The project focuses on the self-sufficiency, self-reliance and sustainability (S³) of gramapanchayaths. The project envisages to address the problems related to the following sectors. Child development, Geriatric care, Mentally and Physically challenged Education, Adolescent care, Women Empowerment, Enterprise development, Employment opportunities for educated youth, Agriculture / Animal husbandry / Dairy development, Revamping and repositioning of traditional sector, Basic minimum needs, Destitute identification and rehabilitation. This programme has been piloted in 3

panchayaths in the first phase and in the second phase it has extended to 14 panchayaths one panchayaths per district in the state.

3.10.5 Micro Housing -'Bhavanashree' - In the state, to meet the housing needs of the poor, several housing schemes such as Indira Awas Yojana, VAMBAY Scheme of LSGIs etc. are being implemented. But it is a reality that the demand for housing, from the poor families is not met through these programmes. Every year, the financial target is on a lower side than the demand. It is estimated that the total housing needs of the poor could not be met with the present housing schemes. At the same time the poor families who have genuine need of constructing a new house have the willingness to avail bank loan, if it is given hustle free. This reality made Kudumbashree to design an innovative housing programme with the active support of Nationalized, Scheduled Commercial and Private Sector banks in Kerala. It caters the housing needs of the poor families in Kerala. This is a Housing Loan Scheme. The homeless families who own 1.5 cent of land are assisted through loan. The repayment is ensured by a tri-party agreement between beneficiary, CDS and financial institutions.

3.10.6 Solid Waste Management units under the brand 'Clean Kerala Business' - Solid waste are a serious menace for all the urban & semi-urban areas of Kerala. Now Kudumbashree mission tries to tackle this problem in an organized and planned manner by setting up women entrepreneur groups to segregate, collect and transport solid waste from the households, Commercial establishments, hotels etc. 75 Clean Kerala Business units have already been formed in the state.

3.10.7 Employment Opportunities for 50K Educated Youth in Kerala - State Government has announced a special employment programme to provide employment opportunities to 50,000 educated youth in State budget for 2004-2005 and assigned the task to State Poverty Eradication Mission- Kudumbashree. For facilitating the identification process, setting up of innovative micro enterprises and capacitating them, Micro enterprise consultants have been recruited.

3.10.8 Buds - a Special School for the disabled children - "Buds" is a special school with the aim of providing for the developmental, social, and emotional needs of children who battle with disabilities including Autism, Cerebral Palsy, blindness, deafness, and speech impairments due to cleft palates. These children are being provided with necessary medical attention, physical and mental therapy, mobility equipment, hearing aids, individual vocational and educational training, skills to enable them to be independent.

Women who were part of the Kudumbashree mission for varying periods of time have been elected to the local administrative bodies in Kerala, from managing catering units, they became the leaders, the exposure and confidence level built by kudumbashree activities is one of the reasons cited for their success in the elections .The success is a sign of the widespread acceptance of community based activities. The training and experiences derived from group activities is the reasons behind their achievement. Purely from a political point of view, the success of Kudumbashree women is the recognition of the fact that the mission has cut across the ideological divide, that the various political parties have placed their trust in these enterprising women. The available data's show that as many as 968 women under the Kudumbashree mission have been elected in local bodies in Kerala of the elections held in September 2005.The following Table 3.9 shows the number of women candidates elected in various local bodies, who were associated with Kudumbashree.

Table 3.9

No of candidates elected in various local bodies

Corporation	15
Municipality	70
District panchayath	08
Block panhayath	66
Grama panchayath	809
Total	968

(Source: The Hindu daily November12 2005)

Among the newly elected councilors are 15 in the corporation councils, 70 in the municipal councils, and 8 in the district councils, 66 in block panchayaths and 809 in village panchayaths.

3.11 The Growth of Kudumbashree Mission.

The growth of Kudumbashree mission Kerala has been assessed on the basis of its coverage, numbers of self- help groups formed, thrift and credit operations, bank linkage programme and micro enterprise development.

3.11.1 Coverage through out Kerala

At the inception, the activities of Kudumbashree mission were confined to the urban areas and the urban and rural areas in Malappuram district. The successful implementation of the project, made a thinking to expand the physical coverage of the mission into the entire rural areas in Kerala, in a phased manner, and at first during 2000, 262 gramapanchayaths was identified following fixed criteria, subsequently during November 2001, 338 gramapanchayaths and in March 2002 the remaining 291gramapanchayaths were covered under Kudumbashree. When 10th five year plan starts (2002-2003), the programme have universal coverage in the state. Table 3.10 exhibits the District wise list of panchayaths, which are covered on a phased manner.

Table 3.10

District wise list of selected Panchayaths covered

Sl. No.	District	No. of Panchayaths				Total
		Pror to Phase I	Phase I	Phase II	Phase III	
1	Trivandrum	-	20	28	30	78
2	Kollam	-	13	29	27	69
4	Allappuzha	-	15	30	28	73
3	Pathanamthitta	-	7	23	24	54
5	Kottayam	-	13	28	33	74
6	Idukki	-	15	24	12	51
7	Ernakulam	-	22	36	30	88
8	Thrissur	-	60	16	16	92
9	Palakkad	-	15	24	51	90
10	Malappuram	100	-	-	-	100
11	Kozhikode	-	27	30	20	77
12	Wayanad	-	7	18	-	25
13	Kannur	-	41	20	20	81
14	Kasaragod	-	7	32	-	39
	Total	100	262	338	291	991

(Source: Economic review 2003).

3.11.2 Self- help groups under Kudumbashree mission.

The organisation of women self help groups in grass root level, which is the basic structure of community based organisations, is one of the main objectives of the Kudumbashree mission. The progress of the self-help groups under Kudumbashree mission over the years is given in Table 3.11.

Table 3.11

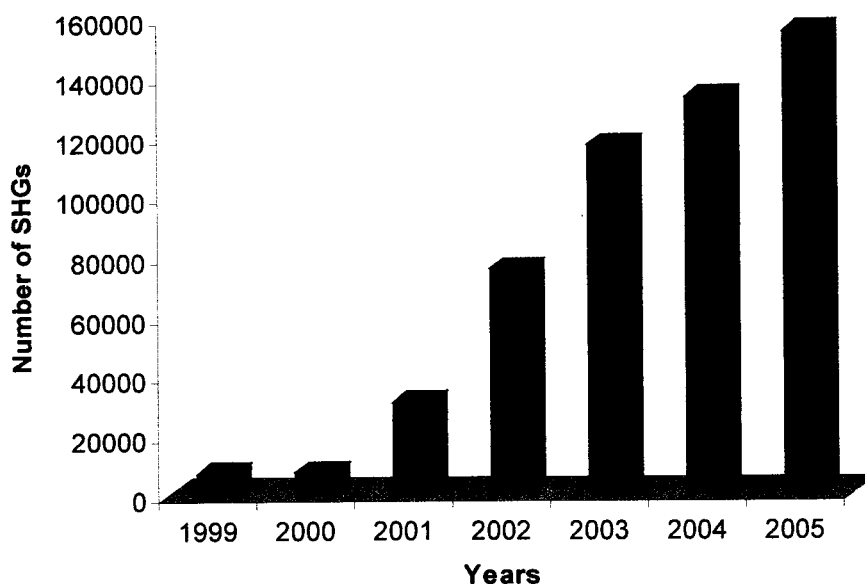
Cumulative No, of Self Help Groups

Year	SHG/NHG	% Growth
1999	7265	-
2000	7538	3.76
2001	30946	310.53
2002	75364	143.53
2003	116884	55.09
2004	132700	13.53
2005	154699	16.58

(Source: Kudumbashree magazine No 6 volume 11 July 2005).

Figure 6

Progress of Self Help Groups



The progress of self-help groups over the period shows that the number of groups increased from 7265 during 1999 to 154699 during 2005, showing a growth rate of 2029%. As compared to 1999 the growth rate in 2000 was 3.76%. The years 2001, 2002 and 2003 show a rapid growth of self-help groups. In 2001-2002 the growth rate was 310.53%. This is because in rural areas of Kerala, the operations of the Kudumbashree mission were universalized in the year 2002 and large numbers of groups were formed in rural Kerala thereafter. So we can make a conclusion that the mission was successful in forming self-help groups on a large scale, which is the basic organization of the poor for their social and economic empowerment.

3.11.3 Family covered under the mission

Till the end of 31st May 2005 31,89,216 families in Kerala were covered under the mission as per the data published by the Kudumbashree mission, of which 2,92,207 families are from urban areas and 28,72,163 families in rural areas. The data depicted in Table 3.12 shows the family covered both urban and rural for the four consecutive

years 2002-2005. The number of families covered under the mission has increased from 12,81181 in 2002 to 31,89216 families in 2005, showing an increase of 152.83 percent. In urban areas over the period of time the total number of families covered has increased from 1,96000 to 2,92207 showing an increase of 49.08 percent whereas in rural areas the families covered has increased from 10,85181 to 28,72163 families showing an increase of 164.67 percent. From this data it can be concluded that as compared to urban areas growth rate in rural areas is very high.

Table 3.12
Distribution of the No. of families covered

	2002	2003	2004	2005
Urban	196000	272074	292207	292207
Rural	1085181	2373295	2747725	2872163
Total	1281181	2645369	3039932	3189216

(Source; compiled from 'Kudumbashree' Magazine, Various issues).

3.11.4 Thrift and credit operations

The NHG's which are the grass root level structures of the community based organizations (CBO) of Kudumbashree also act as the thrift and credit societies and facilitate saving among the poor. During the routine weekly meeting of the NHG's small savings bring in by the members are being collected. The members are free to bring whatever the amount they have as savings and there is no compulsion on their contribution. The income-generating volunteer of the NHG, one of the women elected takes up the responsibility of thrift and credit operations of the NHG level. All the members of the thrift and credit societies actively participate in savings and credit operations. Members of the T&CS are provided with a passbook and the amounts contributed by them are accounted in the passbook in the meeting itself. Each T&CS has a thrift register and the weekly savings are accounted in the register by the volunteer. Thrifts thus mobilized are deposited in a bank, which is convenient to them, in joint account. In the urban level, bank accounts are at ADS level, which is the second tier at ward level. It is jointly

operated by the ADS chairperson and the community organizer, but in rural area's bank accounts are at NHG level and are being operated jointly by the President and Secretary of the NHG.

The thrift and credit operations got paramount importance in the CDS system launched by Kudumbashree mission. T&CS operations of the NHG's ADS and CDS act, as an informal banking system with in the community. The formal banking system existing in the state and its services are almost inaccessible to the poor, rigid regulations and procedures prevent banks from extending even nominal assistance to the asset less women, belongs to lowest strata of the society. So the T&CS as an informal bank acts as a better alternative for conventional banking system, to the poor. The thrift operations and informal banking system envisaged in Kudumbashree project is treated as a symbol of self-reliance, self esteem and self respect. Every micro credit deposit is a symbol of the self-respect of the depositor and every micro credit disbursement is a sign of self-reliance.

This informal banking system under Kudumbashree mission facilitates cost effective, easy and timely credit to the poor. A member can avail loan up to a maximum of four times of savings. The amount of loan and the priority of disbursement are decided by the NHG. The repayment is collected weekly during the routine NHG meeting. The group members can decide the rate of interest for the loan. The income towards interest from thrift is generally used for re loaning. The amount of loan and the priority of disbursement are decided by the members themselves.

Table 3.13 shows the progress the thrift and credit operations by the self help groups under Kudumbashree mission Kerala. It is seen that thrift fund collected through neighbourhood groups under the Kudumbashree mission has increased from Rs 3.47 crores in 1999 to Rs 537 crores in 2005, there has an impressive growth in terms of thrift mobilization.

Thrift linked lending through NHG's under the mission stood at Rs 1190.72 crores in 2005. It was only Rs 2.35 crores in 1999. Table 3.13 exhibits the status position of thrift and credit operations for the years 1999 to 2005.

Table 3.13

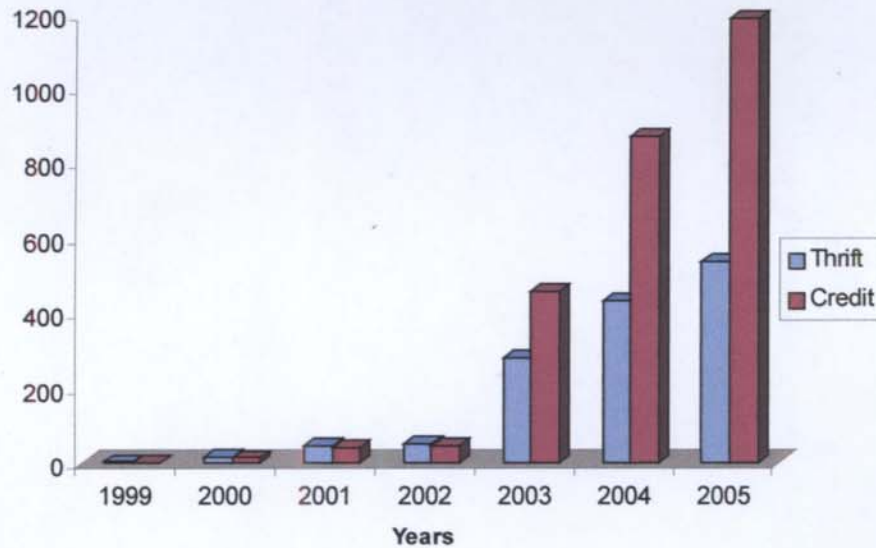
Progress of Thrift and Credit Under Kudumbashree mission Kerala (in crores)

Year	Thrift	Credit	VIL*
1999	3.47	2.35	.68
2000	16.77	13.71	.82
2001	48.78	41.62	.85
2002	51.91	44.72	.86
2003	278.87	456.82	1.64
2004	432.35	874.78	2.02
2005	537	1190.72	2.22

(Source kudumbashree magazine No 6 volume 11 July 2005)*VIL -Velocity of internal lending.

Figure 7

Thrift and Credit Progress Under Kudumbashree Mission Kerala



From the Table it is seen that up to 2002 the progress of thrift and credit operations is not in a high scale. But since 2002 there had a sudden growth both in thrift and credit. This may be due to the physical coverage of kudumbashree mission was expanded to the entire areas of Kerala during the year 2002. The velocity of internal lending (VIL), which is the ratio of credit to thrift which is treated as the efficiency index of thrift and credit operations stood at .68 in 1999 but it was 2.22 in 2005. This rate indicate that more and more NHG members are actively participating in the operations of this 'informal banking.'

Urban rural wise data shows that the thrift collection in urban areas in the state stood nearly Rs 32 crores, whereas lending amounts to Rs 35 crores up to the financial year 2005.¹⁰

Region wise distribution of thrift and credit position as on 2005 is shown in Table 3.14.

Table 3.14

Region wise distribution of the amount of thrift and credit

Region	Thrift (crores)	Credit (crores)	VIL
Southern	147	267	1.82
Central	186	452	2.44
Northern	165	424	2.57.

(Source: compiled from Kudumbashree Magazine., Various issues)

From the table it is seen that the central region has the largest share of thrift as well as credit as on 2005.

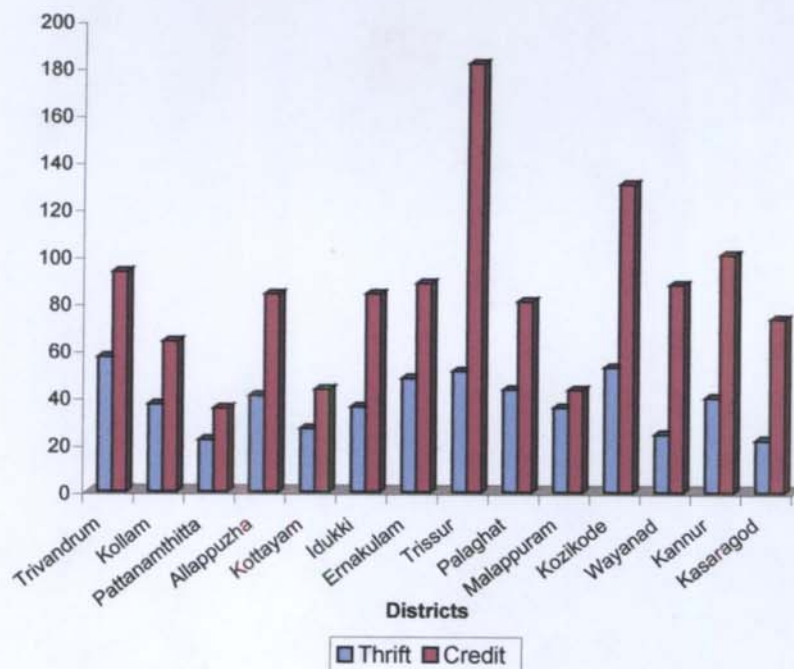
Table 3.15 reveals the district wise thrift and credit position of the Kudumbashree mission as on 2005.

Table 3.15

Thrift and credit Position, District wise (in crores)

District	Thrift (Crores)	Credit (Crores)	VIL
Trivandrum	57.12	93.35	1.63
Kollam	37.04	63.84	1.72
Pattanamthitta	22.11	35.41	1.80
Allappuzha	40.81	84.01	2.06
Kottayam	26.88	43.47	1.54
Idukki	36.18	84.14	2.33
Ernakulam	48.19	88.64	1.92
Trissur	51.24	181.98	3.55
Palaghat	43.50	80.98	1.89
Malappuram	35.92	43.37	1.21
Kozikode	53.01	130.78	2.47
Wayanad	24.70	88.17	3.57
Kannur	40.17	100.88	3.57
Kasaragod	22.15	73.64	3.32
Total	537	1190	2.24

(Source: www.Kudumbashree.org).

Figure 8**Thrift and credit Position, District wise Kerala**

From the table it is observed that the district Trivandrum occupies the largest share of thrift and the district Pathanamthitta, the lowest share. Trissur occupies the largest share of credit and Pattanamthitta the lowest share of credit. The velocity of internal lending is highest in Kannur district and lowest in Malappuram. The velocity of internal lending is highest in Wayanad and Kannur with 3.57 each.

3.11.5 Bank Linkage Programme

Self help group bank linkage programme has been treated as an important vehicle to promote micro finance in a sustainable manner, in India and Kerala. SHG's meets the smaller consumption and emergency needs of members from its own savings and common funds generated. As the age of the group increases the capacity of the group and credit also goes up. By the time the group would have acquired enough experience to manage the finances but the available funds are not adequate. At this stage group needs the support of the financial institutions

3.11.5a Procedure of bank linkage

Under the bank linkage programme, the NHGs are linked with the banks, and the members can avail financial assistance at a low rate of interest and without any collateral security, which helps the poor to get funds for various purposes including the setting up of micro enterprises. The linking bank verifies the efficiency and effectiveness of the NHGs on the basis of some verifiable and easily identifiable parameters.

NABARD has developed a 15-point index for rating NHGs on the basis of which they will be allowed to link with various banks under the Linkage Banking Scheme. Once the groups are linked they will be eligible to receive finance in the ratio ranging from 1:1 to 1:9. The assistance so received can be utilized by the groups for internal lending and taking up of Micro Enterprises. Under the leadership of Kudumbashree District Mission Team, efforts are being taken to verify the performance of NHGs through out the State.

Criteria for linking banks under bank linkage programme

- 1) Age of the group
- 2) Weekly group meetings
- 3) Attendance
- 4) Minutes
- 5) Participation in group discussion
- 6) Savings (frequency)
- 7) Savings and loan recovery
- 8) Style of functioning & group decisions
- 9) Sanction and disbursement of loans
- 10) Interest on loans
- 11) Utilization of savings on loaning
- 12) Recovery of loans
- 13) Books of accounts

The Table 3.16 reveals the growth of SHG - bank linkage in Kerala under Kudumbashree

Table 3.16

SHG-Bank Linkage programme Under Kudumbashree Mission Kerala

	T&CS	No. Graded	No. Linked	Amount of loan disbursed (Million)
2003	126903	41018	21149 (16.7%)	635.47
2005	158306	90572	61623 (38.9%)	2587.55

(Source: Compiled and computed from 'kudumbashree' magazine various issues)

From the above table it is seen that in 2003, out of the total number of 126903 thrift and credit societies, 32% have been graded and 21149 (16.7%) of them have been linked with various banks in Kerala. In 2005, out of 158306 thrift and credit societies, 57.2% have been graded and 61623 (38.9%) were linked with banks. The number of Nhg's linked

during the period has increased from 21149 in 2003 to 61623 in 2005, Showing an increase of 191.38 percent over the period, and the amount of loan disbursed to Nhg's increased from 635.47 million to 2587.55 million showing an increase of 307.19 percent over the period. This data indicates that there has a remarkable growth of bank linkage programme under the Kudumbashree mission in Kerala.

Table 3.17 gives the details of Self-help group bank linkage, district wise.

Table 3.17

District wise Bank linkage of T&CS under Kudumbashree (2003 and 2005)

District	2003			2005		
	No of T&CS graded	No of T&CS linked	Amount of loan disbursed	No of T&CS graded	No of T&CS linked	Amount of loan disbursed
Trivandrum	5573	1499	36.69	10538	5918	209.10
Kollam	6156	1912	92.65	8398	5137	295.24
Pathanamthitta	1163	894	17.67	2668	1791	123.54
Allappuzha	4114	2363	71.93	10467	8003	336.73
Kottayam	2268	1104	28.09	3885	3225	94.32
Idukki	2505	1400	43.13	4669	3035	185.16
Ernakulam	1731	1581	32.53	7595	6784	156.12
Thrissur	2387	1875	73.46	4783	4783	232.72
Palakkad	2267	1161	10.72	9487	5298	189.10
Malappuram	570	537	60.44	3767	3260	142.44
Kozhikode	2708	1394	44.21	9049	4114	165.19
Wayanad	3763	2173	62.98	6200	5257	280.28
Kannur	4185	1432	38.15	6151	3076	107.92
Kasaragod	1628	1824	22.91	2915	1942	69.92
Total	41018	21149	635.47	90572	61623	2587.75

(Source: compiled and computed from 'kudumbashree' magazine various issues)

From the above table it can be seen that, in 2003 the highest number of T&CS graded was in Kollam district (15%), and lowest in Malappuram district (1.4%). In 2005 the number of graded units are highest in Trivandrum(11.6%), and lowest in Pattanamthitta(2.9%).

Out of the total number of thrift and credit societies linked with banks, Allappuzha enjoys the first rank with 11.17%, and Malappuram the last with 2.5% in 2003, In 2005, Allappuzha still accounts the highest with 12.99%, lowest being Pattanamthitta with 2.91%.

As regards amount of loan disbursed to Nhg's the district Allappuzha is highest in 2005 with 13.01 % and the district kasaragod is the lowest with 2.70 %.

3.11.6 Micro enterprises Under Kudumbashree mission

Micro enterprises comprises a wide variety of activities that include both high end, growth induced, well integrated, technologically sophisticated enterprises with relatively high levels of earnings. Notwithstanding the heterogeneity within this sector studies show that, micro enterprises are characterized by their small size, informal networks reliance on locally available resources and labour intensive and adaptive technology, formal source of credit and dependence on acquiring skills outside the formal sector etc.¹¹ Although a substantial proportion of micro and small enterprises are involved in trading and retailing ventures, many of them involved in value adding manufacturing, service and processing activities.¹²

One of the main components of the kudumbashree mission projects is greater employment of women, through self help group strategy, and thereby attain social and economic empowerment. Kudumbashree is aiming at promotion of entrepreneurial skills of the poor folk especially women. The strategy is set for social take off for women from low development path to an accelerated phase in achieving higher levels of self sustaining economic growth through three tier community based organisation via NHG, ADS, CDS system.

Kudumbashree also targets women entrepreneurs as a change agent for economic development.

As per the existing norms enterprises are classified into large, medium, small and tiny sectors depending on capital investment. Large industries are having capital investment of more than 500 millions, 30-500 millions are considered as medium, 5-30 million are considered as small and .5 -5 million are considered as tiny sectors. Micro enterprises are considered as new in this sector.

During early 70's growth of micro enterprises has resulted largely from the lack of alternative employment opportunity but now micro enterprises are considered as a growth engine that triggers developmental process world over. In Kerala, two components of SJSRY (swarna jayanthi shahari Rozgar Yojana) namely USEP (Urban self employment programme) and DWCUA (Development of women and children in Urban areas) provide an opportunity to think of an alternative strategy to reach out the poor and achieve financial sustainability.

Kudumbashree mission defines a micro enterprise "As an enterprise having capital investment ranging from .005 million to .5 million and which provides an entrepreneur an opportunity to earn at least .015 million per month and its turnover .1 million to .5 million per year. Even the poor should be able to manage the day today affairs in a planned manner."

The plan of action of kudumbashree mission as regards micro enterprise development were summarised below.

- Entrepreneurial instincts are identified through Micro plan at NHG level.
- Entrepreneurs are selected by the community after considering their skills and exposure
- Selected entrepreneurs are given training on various aspects of micro enterprise development

- Suitable projects are prepared with the help of experts at the community level
- Timely and adequate finance is arranged with the help of NHG promoted by the Kudumbashree and linkage with financial institutions.
- Monitoring is done by community through trained income generating volunteer
- Involvement of resident community management experts (CRM) through proper linkage with Management institute/ Management development institutes
- Formation of counseling centers at District level by incorporating experts in the respective field to tackle the various problems faced by the entrepreneurs.
- Micro enterprises can be utilized as an opperchunity for reviving the local food traditions prevalent in the state
- Micro enterprise development as a means of empowering women, socially and economically.

In the development point of view, group activities are more vital and relevant than the individual profit making activities since the impact of later is limited to a limited circle. In the present study we concentrate on units promoted by women on group basis. Group activity provides synergy for growth. They can grow one level to the next higher level even by cutting across the ladder. Ploughing back of capital is also possible which helps to improve the capital requirements without any additional burden of interest. As the exposure increases the chance of gaining confidence also improves.

Micro enterprises have always been considered as an important tool for poverty reduction efforts world allover. This prompted the kudumbashree mission to set up the first enterprise unit in 1999.It was a data processing unit and was set up under the centrally sponsored SJSRY scheme. Then in urban as well as rural areas individual and group enterprises were set up. The available data on group and individual Micro

enterprises set up in urban areas upto 2006 were presented in Table 3.18.

Table 3.18.

Distribution of micro enterprises in urban areas (District wise)

No.	Districts	Micro enterprises				
		Group		(Individual)		Total
		No	%	No		No
1	Thiruvananthapuram	173	13.39	1660	11.06	1833
2	Kollam	51	3.92	1825	12.15	1876
3	Pathanamthitta	28	2.12	558	3.72	586
4	Alappuzha	142	10.91	1818	12.11	1960
5	Kottayam	57	4.48	535	3.56	592
6	Idukki	7	.01	96	.64	103
7	Ernakulam	301	23.22	1633	10.88	1934
8	Thrissur	131	10.16	1013	6.75	1144
9	Palakkad	61	4.79	1258	8.38	1319
10	Malappuram	65	4.99	804	5.35	869
11	Kozhikkode	164	12.70	1765	11.75	1929
12	Wayanad	12	.10	98	.65	110
13	Kannur	72	5.63	1407	9.37	1479
14	Kasargod	38	2.92	545	3.63	583
	Total	1302 (7.98%)	100	15015 (92.02%)	100	16317 (100)

(Source: www. Kudumbashree .org)

From the table it is seen that out of 16317 micro enterprises in urban areas, group micro enterprises comprises only 7.98%. District wise analysis shows that group micro enterprises are highest in (23.12%) in Ernakulam and lowest in Idukki(.01%).The percentage of micro enterprises in Kozhikkode, Allappuzha and Malappuram are 12.6%, 10.9% and 5% respectively. The success of the enterprise programme in the urban areas encouraged the mission in developing micro enterprises in rural areas. Individual and group micro enterprises were set up in

rural areas by using accumulated thrift amount, bank loan under bank linkage and by availing assistance/subsidies from central or state governments. Available data on group and individual micro enterprises in rural areas in Kerala up to 2006 are given in Table 3.19.

Table 3.19

Distribution of micro enterprises in rural Kerala (District wise)

Sl. No	District	No. Of Enterprises				
		Group	%	Individual	%	Total
1	Trivandrum	5263	27.20	2110	15.24	7373
2	Kollam	1532	7.92	4550	32.85	6082
3	Pathanathitta	252	1.3	1212	8.75	1464
4	Alappuzha	1638	8.47	250	1.81	1888
5	Kottayam	1255	6.49	962	6.95	2217
6	Idukki	3397	17.56	1100	7.94	4497
7	Ernakulam	615	3.18	121	.87	736
8	Thrissur	110	57	0	-	110
9	Palakkad	640	3.31	1551	11.20	2191
10	Malappuram	250	1.29	121	.87	371
11	Kozhikkode	2809	14.52	942	6.80	3751
12	Wayanad	121	.63	500	3.61	621
13	Kannur	1449	7.49	430	3.10	1879
14	Kasaragod	12	.06	0	-	12
	Total	19343	58.28	13849	41.72	33192

(Source: WWW.Kudumbashree.org)

From Table 3.19, it is seen that out of total number of micro enterprises in rural areas 58.28% are group enterprises. District wise analysis shows that group enterprises are highest in Trivandrum (27.20%) and the lowest is in Kasargod (.06%) .In Kozhikkode Allappuzha and Malappuram it is 14.52%, 8.47% and 1.29% respectively.

Table 3.20 given below shows the distribution of micro enterprises under Kudumbashree mission region wise.

Table 3.20

Distribution of micro enterprises, Region wise

Region	Urban		Rural		Total
	Group	Individual	Group	Individual	
Southern	394 (30.3%)	5861 (39.04%)	8685 (44.9%)	8122 (58.7%)	23062 (46.6%)
Central	557 (43.6%)	4535 (30.21%)	6017 (31.10%)	3734 (27 %)	14843 (27%)
Northern	351 (27.1%)	4619 (30.75%)	4641 (24%)	1993 (14.3%)	11604 (23.4%)
Total	1302 (100)	15015 (100)	19343 (100)	13849 (100)	49509 (100)

(Source: WWW.Kudumbashree.org)

From the above table it is seen that, out of the total number of micro enterprises both urban and rural, southern region occupies major share with 46.6%, northern region is the lowest with 23.4%. As far as urban group enterprises are concerned, the highest in central region (43.6%) and lowest in northern region (27.1%). In case of group enterprises in rural areas the highest is in southern region and the lowest in northern region.

There are a wide variety of micro enterprises run by the groups, such as, mini hotels, food processing units like baking units, curry power units, copra drying units etc, bag making, soap making, book binding garment making units, service centers, DTP centers, direct marketing units, dairy product units, farming units and the like.

Conclusion

The kudumbashree mission Kerala has been working for the last several years developed a new approach to poverty reduction and women empowerment. The progress of the mission over the years is remarkably good based on its coverage, growth of self help groups in terms in number, progress of thrift and credit operations, bank linkages, and setting up of micro enterprises.

In this background the data collected in respect of the study is analysed in the next chapters.

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SOCIO ECONOMIC PROFILES, AND PERCEPTIONS OF WOMEN MICRO ENTREPRENEURS UNDER KUDUMBASHREE MISSION

Sreedharan. T. K “A study of micro enterprises under self help groups , with special reference to Kudumbashree mission Kerala ” Thesis. Department of Commerce and Management Studies , University of Calicut, 2006

CHAPTER 4

SOCIO ECONOMIC PROFILES, AND PERCEPTIONS OF WOMEN MICRO ENTREPRENEURS UNDER KUDUMBASHREE MISSION

Introduction

In this chapter an attempt is made to assess the socio-economic profiles of women micro entrepreneurs under kudumbashree mission and their perceptions regarding the motivational factors, reasons for selecting the particular activity, role of kudumbashree mission for their micro-enterprise development and dropouts from the group.

As explained in the methodology, the sample comprises 472 women entrepreneurs who are the members of 118 group based micro enterprises (a sample of 4 entrepreneurs selected from each micro enterprise unit.) The samples have been drawn from three districts, Kozhikode, Allappuzha and malappuram. 160 samples from 40 units in Kozhikode, 152 samples from 38 units in Allappuzha and 160 samples from 40 units in Malappuram have been taken, so altogether there are 472 sample respondents. The focus is on five categories of micro enterprises such as food processing, Hotel and catering, service units, production and 'other' units. Food processing units include copra drying units, curry powder units, baking items, pickles, pappad units etc. Hotel and catering units include mini hotels, restaurants, catering centers etc, Service units include DTP centers, public service centers, direct marketing units etc production units are mainly manufacturing units such as soap making units, book making units, paper bag units garment and ready made units, coir units etc, the 'other units' include activities like group farming, petty shops, dry cleaning centers.

4.1 Details about samples, District wise

Table 4.1

Details about samples, District wise

	Kozhikode		Allappuzha		Malappuram		Total	
	No.	%	No.	%	No.	%	No.	%
Food	40	24	24	16	44	28	108	23
Hotel	28	18	20	13	40	24	88	19
Service	32	20	28	18	28	18	88	19
Production	48	30	56	37	28	18	132	28
Others	12	8	24	16	20	12	56	11
Total	160	34	152	32	160	34	472	100

Source: Survey Data

4.2 The details about the samples, Place of domicile wise

Table 4.2

The details about the samples, Place of domicile wise

	Urban		Rural		Total	
	No.	%	No.	%	No.	%
Food	20	10	88	30	108	23
Hotel	48	27	40	14	88	19
Service	48	27	40	14	88	19
Production	48	27	84	28	132	28
Others	16	9	40	14	56	11
Total	180	38	292	62	472	100

Source: Survey Data

The whole data were analysed district wise, place of domicile wise and nature of activity wise. Though the respondents were from a homogenous group, there are variations in their age, religion, educational status, nature of family etc. The first section of this chapter deals with the demographic profiles of the women micro entrepreneurs and other aspects dealt with their enterprise and their opinions and comments. In the second part, the perceptions regarding motivation, reasons for selecting the particular line of activity, role of Kudumbashree mission for micro enterprise development and drop out from the groups are discussed and analysed.

SECTION - A

4.3 Distribution of sample by age

Age is an important demographic characteristic, which influence attitude belief and opinion of the individual. In the study without investigating the age background social profile will not complete.

Table 4.3.1

Distribution of sample by age (district wise)

Age	Kozhikode		Allappuzha		Malappuram		Total	
	No.	%	No.	%	No.	%	No.	%
Below 30	28	18	52	34	34	21	114	24
30-40	66	41	54	36	83	52	203	43
40-50	54	34	40	26	37	23	131	28
Above 50	12	7	06	4	06	4	24	05
Total	160	100	152	100	160	100	472	100

Source: Survey Data

Table 4.3.1 reveals that the highest number of respondents fall under the age group 30-40, (43%), the lowest number (5%) falls in the category 'above 50'. 28% of the respondents are in the age group 40-50. It is evident from the table that 71 % of the sample is in the age group 30-50.

District wise analysis shows that out of the 160 samples selected from Kozhikode district 41% are in the age group 30-40 and 18% in the age group below 30. Out of 152 respondents representing Allappuzha 36 % are in the age group 30-40 and 34% below 30 age group, while in Malappuram 52% are in the age group 30-40 and 21% below 30 age group.

Table 4.3.2

Distribution of sample by age (Place of domicile wise)

Age	Rural		Urban		Total	
	No.	%	No	%	No	%
Below 30	74	25	40	22	114	24
30-40	135	46	68	38	203	43
40-50	72	25	59	33	131	28
Above 50	11	4	13	7	24	5
Total	292	100	180	100	472	100

Source: Survey Data

The distribution of sample by age, urban rural wise is presented in Table 4.3.2 shows that out of 180 entrepreneurs in urban areas 38% are in the age group 30-40 and 33% are in the age group 40-50. So altogether more than 70% of the samples lie in the age group 30-50. 22% are in the age group below 30 and only 7% in the age group above 50. In rural areas out of 292 samples 46% are in the age group 30-40 and only 4 % in the age group above 50. It is seen that in urban areas above 50 age group is more than that of rural areas, this may be because of the group approach has a long history in urban areas.

Table 4.3.3

Distribution of sample by age, Nature of activity wise

Age	Food		Hotel		Service		Production		Others		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Below 30	30	28	12	14	41	47	25	19	6	11	114	24
30-40	46	42	42	47	36	41	59	45	20	36	203	43
40-50	32	30	26	30	9	10	40	30	6	43	131	28
Above 50	0	0	8	9	2	2	8	6	6	10	24	5
Total	106		88		88		132		56		472	

Source: Survey Data

Out of 108 respondents in food processing category 42 % are in the age group 30-40, it is 47%, 41 %, 45 % and 36% in hotel, service,

production and 'other' units. Below 30 age group largely occupies in service units with 47% and, less in hotel units with only 14% and 'other units' with 11%. This is an indication that youngsters prefer innovative type of activities than conventional types. Table 4.3.3 exhibits the distribution of sample by age on activity wise.

To find out whether there is an association between the age and the nature of enterprise, the chi square test has been applied and the results are given below.

Ho=Age of the micro entrepreneurs doesn't influence the nature of activity.

Calculated value of chi-square 58.23 df 12, $p < .001$. An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of $p (< .001)$, is less than the given value of .05 at 5% significance level. Hence it may be concluded that age of micro entrepreneurs influence the nature of activity.

4.4 Distribution of sample by Education

Educational level is another important factor, which indicate the status of the person in the society. The social aspect of human life is maintained and transmitted by education. It helps in logical thinking and decision-making. The level of education of the respondents is presented in table 4.4.1

Table 4.4.1

Distribution of sample by Education (district wise)

	K	%	A	%	M	%	Total	%
Only literate	10	6	2	2	25	16	37	8
Primary	64	40	40	26	55	34	159	34
Secondary	66	41	76	50	61	38	203	43
Above secondary	20	13	34	22	19	12	73	15
Total	160	100	152	100	160	100	472	100

Source: Survey Data

From the Table it can be seen that 43% have secondary education, 15% are above secondary educated, and 8% are only literate District wise analysis shows that 22% have above secondary education in Allappuzha, it is 13% and 12% in Kozhikode and Malappuram. Secondary educated are highest in Allappuzha (50%) and lowest in Malappuram (38%). Only literate are highest in Malappuram (16%) and lowest in Allappuzha (2%).

Table 4.4.2

Distribution of sample by education (Place of domicile wise)

	Rural	%	Urban	%	Total	%
Only literate	17	6	20	11	37	8
Primary	95	32	64	36	159	34
Secondary	151	52	52	29	203	43
Above secondary	29	10	44	24	73	15
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.4.2 shows the distribution of sample by education place of domicile wise. It shows that the respondents in urban areas are more educated. 24% of the urban respondents have above secondary education; in rural areas it is 10%. The respondents with secondary education is highest in rural areas (52%), in urban areas it is 29%.

Out of 108 respondents of food processing units 42% have primary education and it is 45% in hotel units. The above secondary educated are highest in (43%) in service units and lowest in hotel units (4%) and other Units (2%). In production units 51% have secondary education and 13% have above secondary education. From this data we can see that less educated prefer conventional and less risky enterprises and high educated prefer innovative type of activities. Table 4.4.3 shows the distribution of sample by activity wise.

Table 4.4.3

Distribution of sample by education (Nature of activity wise)

	F	%	H	%	S	%	P	%	O	%	Total	%
Only literate	7	6	15	17	4	14	8	29	2	3	37	8
Primary	45	42	40	45	12	4	38	7	24	43	159	34
Secondary	44	41	29	33	34	39	67	51	29	52	203	43
Above secondary	12	11	4	5	38	43	18	13	1	2	73	15
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

To find out whether there is an association between level of education and the nature of micro enterprises the chi square test has been applied and the results are given below.

Ho= There is no association between level of education and nature of activity,

Calculated value of chi square 95.28.df 12 $p < .001$ An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of $p (< .001)$ is less than the given value of .05 at 5% significance level. Hence it may be concluded that level of education of micro entrepreneurs influence the nature of activity.

4.5 Distribution of sample by religion

Table 4.5.1

Distribution of sample by religion (District wise)

	K	%	A	%	M	%	Total	%
Hindu	136	85	134	88	109	68	379	80
Muslim	18	11	10	7	7	23	65	14
Christian	6	4	8	5	4	9	28	6
Total	160	100	152	100	160	100	472	100

Source: Survey Data

The sample includes women of all the three religions viz Hindu, Muslim and Christians. Majority of the respondents are Hindu's (80.3%), Muslims constitute 13.77% and 5.93% Christians. The presence of

Christians are nominal since out of the three districts Allapuzha and Kozhikode are Hindu dominated district and Malappuram is a Muslim dominated district. The district wise analysis shows that Hindu's occupy majority in all the three districts. Even though Malappuram is a Muslim majority district the percentage of Muslim women who under take the group based micro enterprise is only 23.13%. This is a clear indication that though there are many poor women among this community, they still reluctant to enter in to the mainstream developmental process. .

Table 4.5.2

Distribution of sample by religion (Place of domicile wise)

	Rural	%	Urban	%	Total	%
H	228	78	151	84	379	80
M	46	16	19	10	65	14
C	18	6	10	6	28	6
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.5.2 shows that in urban areas 84% of the respondents are Hindu's and in rural it is 78%. Muslim occupies 16 % in rural areas and 10 % in urban areas. Christians follows a similar pattern both in urban and rural

Table 4.5.3

Distribution of sample by religion (Nature of activity wise)

	F	%	H	%	S	%	P	%	O	%	Total	%
H	82	76	61	69	75	85	119	90	42	75	379	80
M	22	20	15	17	8	9	13	10	7	13	65	14
C	4	4	12	14	5	6	0	0	7	12	28	6
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

Out of the respondents in production units 90%are Hindu's and 10 % Muslims. In food units 76% are Hindu's and 20% Muslims.Christains

occupies largely in hotel units, (14%). Table 4.5.3 gives the distribution of sample by religion nature of activity wise.

4.6 Distribution of Sample by Community

Caste occupies a decisive role in many matters including politics. Caste system prevails in India from the time immemorial. Hence in this study an investigation is made to find out the social background of the respondents. Table 4.6.1 reveals the distribution of samples by community district wise.

Table 4.6.1

Distribution of sample by community (District wise)

	K	%	A	%	M	%	Total	%
Forward	18	11	20	13	30	19	68	14
Backward	120	75	126	83	98	61	344	73
SC/ST	22	14	6	4	32	20	60	13
Total	160	100	152	100	160	100	472	100

Source: Survey Data

The community wise distribution reveals that backward community constitutes the major share with 73%, forward community with 14% and SC/ST is 13%. District wise analysis shows that 83 % of the respondents in Allappuzha are backward class, SC/ST constitute only 4%. In Malappuram 61% are backward class and 19% are forward, SC/ST category is highest in Malappuram with 20% and second in Kozhikode with 14%. The minimal representation of SC/ST may be due to various reasons such as the availability of other schemes or incapability to express their entrepreneurial talents.

Table 4.6.2

Distribution of sample by community (Place of domicile wise)

	Rural	%	Urban	%	Total	%
Forward	42	14	26	14	68	14
Backward	217	74	127	71	344	73
SC/ST	33	12	27	15	60	13
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.6.2 depicts place of domicile wise distribution of sample by community .74%of rural sample are backward class and 14% are forward class and 12% are SC/ST category.71% of urban are backward and 14% are forward and 15% are SC/ST.

Table 4.6.3

Distribution of sample by Community, Nature of activity wise

	F	%	H	%	S	%	P	%	O	%	Total	%
Forward	12	11	13	15	15	17	28	21	0	0	68	14
Backward	79	73	64	73	59	67	96	73	46	82	344	73
SC/ST	17	16	11	12	14	16	8	6	10	18	60	13
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

Table 4.6.3 reveals the distribution of sample by community, activity wise.It shows that in food processing units 73 % are hailing from backward class, 11 % are forward class and 16% are SC/ST category. The highest occupation by forward castes is in production units (21%), backward castes highest in ' other units' and SC/ST category highest in 'other units.'

4.7 Distribution of sample by marital status

Table 4.7.1 shows that 75% are married, 14 % unmarried 9% widowed and 2 % are divorced. The district wise analysis shows that 82% are married in Allappuzha, it is 73% in Malappuram and 70% in Kozhikode.The unmarried are highest in Malappuram (16%) and lowest in Kozhikode (13%). The district Kozhikode also shows a largest representation of widows (13%).

Table 4.7.1

Distribution of sample by marital status (District wise)

	K	%	A	%	M	%	Total	%
M	112	70	124	82	116	73	352	75
U	20	13	22	14	26	16	68	14
W	22	13	6	4	14	9	42	9
D	6	4	0	0	4	2	10	2
Total	160	100	152	100	160	100	472	100

Source: Survey Data

In urban areas out of 180 respondents 65% are married, 21% are unmarried, 11% are widowed and 3% divorced. In rural married constitute 80% of the sample unmarried are 11%. It is a clear indication that in rural areas since the functioning of the mission is more active, the housewives took keen interest in forming self help groups and set up group based income generating activities. Table 4.7.2 shows the distribution of sample by marital status place of domicile wise

Table 4.7.2

Distribution of sample by marital status (Place of domicile wise)

	R	%	U	%	Total	%
M	235	80	117	65	352	75
U	31	11	37	21	68	14
W	22	8	20	11	42	9
D	4	1	6	3	10	2
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.7.3 shows that 82% of the respondents of food processing units are married, 9% are unmarried, in hotel units 68% are married, Unmarried category are highest in service units (32%) and widows in hotel units (15%). It is seen that unmarried women are more interested in service units, which are innovative types.

Table 4.7.3

Distribution of sample by marital status (Nature of activity wise)

	F	%	H	%	S	%	P	%	O	%	Total	%
M	88	82	60	68	56	64	104	79	44	79	352	75
U	10	9	12	14	28	32	16	12	2	4	68	14
W	7	6	13	15	4	4	10	8	8	14	42	9
D	3	3	3	3	0	0	2	1	2	3	10	2
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.8 Distribution of sample by prior occupation

The Table 4.8.1 shows that 76% of the respondents have no occupation before, they are either housewives or students.16% are wage employees and 8% are agricultural workers. The district wise analysis shows that housewives are highest in Malappuram (84%) and in Kozhikode (84%) in Allappuzha it is 58% .It is also seen that wage employees (21%) and agricultural workers (21%) are highest in Allappuzha.

Table 4.8.1

Distribution of sample by prior occupation (District wise)

	K	%	A	%	M	%	Total	%
House wife	134	84	88	58	135	84	357	76
Agri. worker	4	2	32	21	4	3	40	8
Wage employee	22	14	32	21	21	13	75	16
Total	160	100	152	100	160	100	472	100

Source: Survey Data

Table 4.8.2 shows that 74 % of rural respondents and 78 % of urban respondents have no prior occupation.11% of rural samples are agricultural workers and 15 % were wage workers. Only 4% in urban areas respondents are agricultural workers, this is because in urban area's some regular employment opportunities are there in which, the women have the chance of getting.

Table 4.8.2

Distribution of sample by prior occupation (Place of domicile wise)

	Rural	%	Urban	%	Total	%
House Wife	216	74	141	78	357	76
Agri.worker	32	11	8	5	40	8
Wage employee	44	15	31	17	75	16
Total	292		180		472	

Source: Survey Data

Table 4.8.3 shows the distribution of sample by prior occupation activity wise.

Table 4.8.3

**Distribution of sample by prior occupation
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
HW	88	81	74	84	72	82	90	68	33	59	357	76
AW	6	6	1	1	7	8	10	8	16	29	40	8
WE	14	13	13	15	9	10	32	24	7	12	75	16
Total	108	100	88	100	8	100	132	100	6	100	472	100

Source: Survey Data

It is seen that the housewives are highest (84%) in hotel units and lowest (59%) in 'other units', and 24% of entrepreneurs of production units were wage employees before. It is also seen that 29% of respondents of 'other units' were agricultural workers earlier. So we can observe that the agricultural workers have the tendency to switch over to income generating activities treating this as more good for them

4.9 Distribution of sample by Nature of family

The trend of disintegration of joint families and the evolution of nuclear families in the state is shown clearly by the sample. As seen from the Table No 4.9.1. 64% of the sample is from nuclear family, 33. % belong to joint family. The district wise analysis gives a similar pattern as regards joint families and nuclear families.

Table 4.9.1

Distribution of sample by nature of family (district wise)

	K	%	A	%	M	%	Total	%
Joint family	52	35	49	32	56	33	157	33
Nuclear	103	63	100	66	101	64	304	64
single	5	2	3	2	3	3	11	3
Total	160	100	152	100	160	100	472	100

Source: Survey Data

Table 4.9.2

**Distribution of sample by nature of family
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Joint	81	28	76	42	157	33
Nuclear	203	69	101	56	304	64
Single	8	3	3	2	11	3
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.9.2 indicates 69% of the respondents of rural areas are from nuclear families, it is 56 % in urban areas. 42 % of urban respondents are from joint families and 28 % of rural respondents from joint families. The non-availability of housing plots and the cost of construction may force them a joint living in urban areas.

Table 4.9.3

**Distribution of sample by nature of family
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Joint	28	26	29	33	45	51	45	34	10	18	157	33
Nuclear	78	72	57	65	41	47	84	64	44	79	304	64
Single	2	2	2	2	2	2	3	2	2	3	11	3
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

Nature of activity wise analysis shows that 51% of the respondents of service units come from joint families and 79 % of 'other units' and 72% of respondents of food units come from nuclear families. It is clear that majority of service units are run by respondents of 'below 30' age category they remain with their parents, this may be the cause of high percentage of respondents of service units.

4.10 Distribution of sample by number of members in the family

Table 4.10.1 places before us the number of members in the family. It is shown that 58 % of the respondents family size is up to 5 and the family size of 42 % is more than 5. District wise analysis shows that 'up to 5' members category is more in Kozhikode with 61% and 'more than 5' category is more in Malappuram with 46%.

Table 4.10.1

Distribution of sample by number of members in the family (District wise)

	K	%	A	%	M	%	Total	%
Up to 5	98	61	88	58	86	54	272	58
Above 5	62	39	64	42	74	46	200	42
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen that in rural areas 56% of respondents family size is 'up to 5' and 44 % respondents family size in urban areas is 'more than 5'. Table 4.10.2 shows the distribution of sample by number of members in the family.

Table 4.10.2

Distribution of sample by number of members in the family (Place of domicile wise)

	R	%	U	%	Total	%
Up to 5	193	66	79	44	272	58
Above 5	99	34	101	56	200	42
Total	292	100	180	100	472	100

Source: Survey Data

Table 1.10.3 gives the distribution of sample by number of members in the family activity wise. 66 % of sample of 'other units' have the family with 'up to 5' size. In service units 48% are hailing from above 5 groups and it is 44% in hotel units.

Table 4.10.3

**Distribution of sample by number of member in the family,
Nature of activity wise**

	F	%	H	%	S	%	P	%	O	%	Total	%
Up to 5	65	60	49	56	46	52	75	57	37	66	272	58
Above 5	43	40	39	44	42	48	57	43	19	34	200	42
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.11. Distribution of sample by education of head of the family

Since the educational status of the head of the family influence the woman with in the family and their way of functioning, it is essential to have a look on the educational status of the head of the family. It is seen that 52 % are having secondary education and 40 % are primary educated. District wise analysis shows that 68 %in Allappuzha have secondary education, it is 54% in Kozhikode and 34% in Malappuram. Above secondary educated are higher in Alappuzha with 12%.

Table 4.11.1 shows the distribution of sample by education of head in the family.

Table4.11.1

**Distribution of sample by education of head of the family
(district wise)**

	K	%	A	%	M	%	Total	%
Primary	64	40	30	20	94	59	188	40
Secondary	86	54	103	68	55	34	244	52
Above secondary	10	6	19	12	11	7	40	8
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen from the table 4.11.2 that 48 % of head of the family are having secondary education in rural and it is 58 % in urban. 43 % in rural are having primary education and 9% are 'above secondary' educated.

Table 4.11.2

**Distribution of sample by education of head of the family
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Primary	127	43	61	34	188	40
Secondary	139	48	105	58	244	52
Above secondary	26	9	14	8	40	8
Total	292	100	180	100	472	100

Source: Survey Data

The activity wise analysis shows that 64% of the head of the family of respondents of service units have secondary education, 11% are having above secondary education. It is seen that only 4 % of head of the family of respondents of hotel units have above secondary education. From the data we can observe that the head of the family of the respondents of service units are more educated. Table 4.11.3 reveals the distribution of sample by education of the head of the family.

Table 4.11.3

**Distribution of sample by education of head of the family
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Primary	47	44	43	49	22	25	45	34	31	55	188	40
Secondary	63	49	41	47	56	64	75	57	19	34	244	52
Above secondary	8	7	4	4	10	11	12	9	6	11	40	8
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.12 Distribution of sample by year of joining the SHG/NHG

The first step before setting up of micro enterprise is becoming a member of neighbourhood group. As is evident from Table 4.12.1, 41% of respondents became member of shg earlier than the year 2002, and 59 % of the respondents after 2002. It is in the year the operations of the Kudumbashree mission has been covered through out Kerala. The district wise analysis shows that 56% of the respondents from

Malappuram became the member of shg before 2002, it was 39% in Allappuzha and 27% in Kozhikode. The highest percentage in Malappuram is because the shg concept was in Malppuram since 1994 as CBNP. It is also seen that in Kozhikode and in Alappuzha more number of women became the members of shg after 2002, since the operations of the Kudumbashree mission has been universalized in Kerala in 2002.

Table 4.12.1

**Distribution of sample by year of joining the shg/nhg
(District wise)**

	K	%	A	%	M	%	Total	%
Before 2002	44	27	60	39	89	56	193	41
After 2002	116	73	92	61	71	44	279	59
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen from the Table 4.12.2 that, 77 % of respondents in urban areas became the members of SHG before 2002 and 82% of respondents in rural areas became the members of shg after 2002. Here we can observe that in urban areas SHG concept was a part of sjsry scheme and there were a lot of shgs even before Kudumbashree mission was started and later sjsry has been merged with Kudumbashree mission in 1998. In rural areas the operations of the Kudumbashree mission has been implemented in a phased manner since 1999 and all the rural areas in Kerala have been covered by the year 2002. So women in rural areas became the members in SHGS (except in Malappuram District) after the year 2002.

Table 4.12.2

**Distribution of sample by year of joining the shg/nhg
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Before 2002	54	18	139	77	193	41
After 2002	238	82	41	23	279	59
Total	292	100	180	100	472	100

Source: Survey Data

Nature of activity wise analysis shows that 53 % of respondents of hotel units were the members of SHG before 2002 and it is 48 % in service units .It is seen that 69 % of sample of food units were the members of shg after 2002 and it is 68% in 'other units'. Table 4.12.3 shows the distribution of sample by year of joining the shg, activity wise.

Table 4.12.3

**Distribution of sample by year of joining the Shg/Nhg
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Before 2002	34	31	47	53	42	48	52	39	18	32	193	41
After 2002	74	69	41	47	46	52	80	61	38	68	279	59
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

**4.13 Distribution of the Sample by the Year of Commencement
Micro Enterprises**

The concept of Kudumbashree mission have been universalized in Kerala in the year 2002.The year of commencement of micro enterprises on group basis district wise is given in table 4.13.1.

Table 4.13.1

**Distribution of sample by year of commencement of micro
enterprises (District wise)**

	K	%	A	%	M	%	Total	%
Before 2002	20	13	32	21	36	23	88	19
After 2002	140	87	120	79	124	77	384	81
Total	160	100	152	100	160	100	472	100

Source: Survey Data

From the table it is seen that 81% of micro enterprises were set up after 2002.The district wise analysis shows that in Malappuram 23 % of micro enterprises were set up before 2002 and it is 21% in Allappuzha

and 13% in Kozhikode. 87% of micro enterprise in Kozhikode were set up after 2002 and it is 79% in Allappuzha and 77% in Malappuram. So we can conclude that the micro enterprise concept under the Kudumbashree mission has developed mainly after 2002.

Table 4.13.2

Distribution of sample by year of commencement of micro enterprises (Place of domicile wise)

	Rural	%	Urban	%	Total	%
Before 2002	8	3	80	44	88	19
After 2002	284	97	100	56	384	81
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.13.2 exhibits the distribution of sample by year of commencement of micro enterprises urban rural wise. It is seen that 97% of micro enterprises in rural areas were setup after 2002 and it is 56% in urban areas.

Table 4.13.3

Distribution of sample by year of commencement of micro enterprises (Nature of activity wise)

	F	%	H	%	S	%	P	%	O	%	Total	%
Before 2002	12	11	20	23	36	41	16	12	4	7	88	19
After 2002	96	89	68	77	52	59	116	88	52	93	3	81
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

Table 4.13.3 shows that 41% of service units were set up before 2002, It is seen that 88% of production units and 89% of hotel units and 93% of other units were set up after 2002

4.14 Distribution of Sample by Members at the Beginning in the Group

Usually there must be 10 members in a group to start a group based micro enterprise. But there are groups with 5 members and even with more than 10 members Table 4.14.1 shows the distribution of sample by number of members in a group at the beginning district wise.

Table 4.14.1

Distribution of sample by number of members at the beginning (District wise)

	K	%	A	%	M	%	T	%
5 members	28	18	12	8	8	5	392	10
10 members	124	78	128	84	140	88	48	83
Above 10	8	4	12	8	12	7	32	7
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen that 83% of the respondents are from 10 member group, and 10 % of the respondents from a group of 5. District wise analysis shows that 88 % respondents of Malappuram are from 10member group, 84 % in Allappuzha and 78 % in Kozhikode. It is seen that 18% of sample from Kozhikode are from 5-member group and 8% of respondents of Allappuzha are from above 10 member group.

Table 4.14.2

Distribution of sample by number of members in the beginning (Place of domicile wise)

	Rural	%	Urban	%	Total	%
5 members	48	17	0	0	48	10
10 members	232	79	160	89	392	83
Above 10	12	4	20	11	32	7
Total	292	100	180	100	472	100

Source: Survey Data

From the above table it is seen that 89% of urban respondents are from 10-member group and 7 % are from 'above 10 member 'group. In

rural areas 79% are from 10member group and 17 % are from 5 member group .So we can conclude that majority of the groups are formed as 10 members as entrepreneurs.

Table 4.14.3

Distribution of sample by number of members at the beginning, Nature of activity wise

	F	%	H	%	S	%	P	%	O	%	Total	%
5	12	11	8	9	4	5	12	9	12	21	48	10
10	92	85	8	82	76	86	108	82	44	79	392	83
Above10	4	4	72	9	8	9	12	9	0	0	32	7
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

Table 4.14.3 gives the distribution of sample by number of member in the beginning activity wise. It shows that 86% service units and 85% food units are 10-member groups, and 21 % of respondents of other units are from 5-member group

4.15 Distribution of sample by help from family/relatives

Out of the total number of respondents 64 % reported that they get some sort of support/help either from family members or from relatives. District wise analysis shows that 74% of respondents of Allappuzha, 67% of respondents of Malappuram and 53% of respondents of Kozhikode get help. Table 4.15.1gives the distribution of sample by help from family or relatives.

Table 4.15.1

Distribution of sample by help from family/relatives (District wise)

	K	%	A	%	M	%	Total	%
Help	84	53	112	74	107	67	303	64
No help	76	47	40	26	53	33	169	36
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen that 72 % of respondents in rural and 51%of respondents in urban areas reported that they get support. Table 4.15.2 gives the distribution of sample by help from family/relatives urban rural wise.

Table 4.15.2

**Distribution of sample by help from family /relatives
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Help	211	72	92	51	303	64
No help	81	28	88	49	169	36
Total	292	100	180	100	472	100

Source: Survey Data

Activity wise analysis shows that 77 %of respondents of food units get help and 51% of respondents of service units are not getting any help. In the case production units 63% reported that they get help and in the case of hotel units 66% reported the same. Table 4.15.3 gives the distribution of sample by help from family /relatives, activity wise.

Table 4.15.3

**Distribution of sample by help from family/relatives,
Nature of activity wise**

	F	%	H	%	S	%	P	%	O	%	Total	%
Help	83	77	58	66	43	49	83	63	36	64	303	64
No help	25	23	30	34	45	51	49	37	20	36	169	36
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.16 Distribution of sample by from whom gets the help

It is evident from the table 4.16.1 that out of 303 sample that get help, 72% of the respondents reported that they get the help from their husbands, 10% reported that the help is from parents and 10.%

reported the help is from children. The district wise analysis shows that 74% get help from husband in Allappuzha, it is 71% in Kozhikode and 68 % in Malappuram.

Table 4.16.1

Distribution of sample by from whom gets help (District wise)

	K	%	A	%	M	%	Total	%
Husband	60	71	84	74	73	68	217	72
Parents	6	7	14	13	11	10	31	10
Children	18	21	4	4	10	9	32	10
Relatives	0	0	2	2	7	7	9	3
H&P	0	0	0	0	2	2	2	1
H&C	0	0	6	5	4	4	10	3
H&R	0	0	2	2	0	0	2	1
Total	84	100	112	100	107	100	303	100

Source: Survey Data

In urban areas 63% reported that they get help from their husbands and in rural it is 75%. It is seen that 15 % of urban respondents get support from children and 13 %get help from parents. Table 4.16.2 shows the distribution of sample by from whom get help urban rural wise.

Table 4.16.2

Distribution of sample by from whom gets help (Place of domicile wise)

	Rural	%	Urban	%	Total	%
H	159	75	58	63	213	72
P	19	9	12	13	31	10
C	18	9	14	15	32	10
R	7	3	2	2	9	3
H&P	1	1	1	1	2	1
H&C	5	2	5	6	10	3
H&R	2	1	0	0	2	1
Total	211	100	92	100	303	100

Source: Survey Data

It is seen that 80% of respondents of food units get help from husbands and 19 % of respondents of service units get help from their parents.10% respondents of hotel units and 13 % of respondents of production units reported that that they get help from their children. Table 4.16.3 shows this distribution of sample by from who get help, activity wise.

Table 4.16.3

**Distribution of sample by from whom gets help
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
H	66	80	38	66	28	65	58	71	27	75	217	72
P	5	6	6	10	8	19	7	8	5	14	31	10
C	8	10	6	10	5	12	11	13	2	6	32	10
R	2	2	4	7	0	0	1	1	2	5	9	3
H&P	0	0	0	0	1	2	1	1	0	0	2	1
H&C	2	2	2	3	1	2	5	6	0	0	10	3
H%R	0	0	2	4	0	0	0	0	0	0	2	1
Total	83	100	58	100	43	100	83	100	36	100	303	100

Source: Survey Data

4.17 Distribution of sample by source of investment

The poor women will not have their own funds for investing in their group enterprises, their main source of investment may be the thrift mobilized by the group, bank loan under bank linkage programme, subsidies of various schemes of central government, state government or local self government. Table 4.17.1 reveals the distribution of sample by source of investment.

Table 4.17.1

Distribution of sample by source of investment (district wise)

	K	%	A	%	M	%	Total	%
Thrift + Subsidy	4	3	58	38	0	0	62	13
Bank loan + subsidy	156	97	50	33	154	96	360	76
Thrift + bank + subsidy	0	0	44	29	6	4	50	11
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is evident from the above table 76% of respondents depend on bank loan plus subsidy as the source of investment, 13% depend on thrift plus subsidy and 11% on thrift, bank loan plus subsidy. District wise analysis shows that 97% of respondent of Kozhikode and 96% of respondents from Malappuram depends on bank loan as the source of investment. In Allappuzha 38% of the respondents depend on thrift mobilized as a source of investment. It is also seen that in Allappuzha 29% of respondents depend on thrift and bank loan along with subsidy as the source of investment. Here we can conclude that subsidy element is the main source of investment.

Table 4.17.2 given below shows that 86% of urban and 71% of rural respondents depend on bank loan as the source of investment. It is also seen that 21% of rural respondents and only 1% urban respondents depend on thrift as the source of investment.

Table 4.17.2

Distribution of sample by source of investment (Place of domicile wise)

	Rural	%	Urban	%	Total	%
Thrift+Subsidy	60	21	2	1	62	13
Bank loan+Subsidy	206	71	154	86	360	76
Thrift+Bank+Subsidy	26	8	24	13	50	11
Total	292	100	180	100	472	100

Source: Survey Data

It is seen from table 4.17.3 that 86% of respondents of service units and 83 % samples of hotel unit's main source of investment is bank loan .21 % respondents of 'other units ' and 20 % of production units depend on thrift mobilized as the source of investment.22% of 'other units 'and 14 % of service unit's source of investment is both thrift and bank loan.

Table 4.17.3

**Distribution of sample by source of investment
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
T+S	20	19	4	5	0	0	26	20	12	21	62	13
B+S	84	78	73	83	76	86	95	72	32	57	350	76
T+B+S	4	3	11	12	12	14	11	8	12	22	50	11
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.18 Distribution of sample by volume of investment

All the groups require capital to meet working capital and fixed capital requirements. Being the group loan the data is relating to the loan which is granted to the group .The Table 4.18.1 exhibits the distribution of sample by the amount of loan availed by the group to run their micro enterprises.

Table 4.18.1

Distribution of sample by volume of investment (District wise)

	K	%	A	%	M	%	Total	%
Up to 50000	12	8	64	42	24	15	100	21
50000-100000	60	38	40	26	52	33	152	32
100000-200000	84	52	40	26	78	48	202	43
Above 200000	4	2	8	6	6	4	18	4
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is evident from the table 1.49 that 43 %respondents group availed loan between 1-2 lakh, 32% availed loan more than Rs 50000 and up to 1 lakh, 4% more than Rs 2 lakh. District wise analysis shows that 52% of respondents group in Kozhikode availed a loan between Rs 1-2 lakh. Loan amount of less than Rs 50000 were availed by 42% of respondent's group in Allappuzha and 6% of them availed loan amount more than Rs 2 lakh.

It is seen that 32 % respondents group in rural areas and 4 % in urban areas availed loan up to Rs 50000 .64 % of urban respondents group and 30 % rural availed a loan amount between Rs 1 –2 lakh. Table 4.18.2 gives the distribution of sample respondents group by volume of investment urban rural wise.

Table 4.18.2

**Distribution of sample by volume of investment
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Up to 50000	92	32	8	4	100	21
50000-100000	100	34	52	29	152	32
100000-200000	88	30	114	64	202	43
Above 200000	12	4	6	3	18	4
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.18.3 reveals 16% of service units availed loan amount of more than 2 lakhs, 59% of hotel units and 45% of production units availed loan up between 1-2 lakhs. It is also seen that 31% of food units and 29% of other units availed loan up to Rs 50000.

Table 4.18.3

**Distribution of sample by volume of investment
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Up to 50000	33	31	7	8	4	5	40	30	16	29	100	21
50000-100000	46	42	29	33	25	28	32	24	20	36	152	32
100000-200000	25	23	52	59	45	51	60	46	20	35	202	43
Above 200000	4	4	0	0	14	16	0	0	0	0	18	4
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data.

In order to find out the relationship between the nature of micro enterprises and the extent / volume of borrowings, the chi square test has been applied and the results are given below.

Ho= The nature of micro enterprises do not influence the level of borrowings

Calculated value of Chi Square is 98.50, d.f 12.p<.001 An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence it may be concluded that level of borrowings of micro entrepreneurs influence their nature of activity.

4.19 Distribution of sample by bank from loan availed

Table 4.19.1

Distribution of sample by bank from loan availed (district wise)

	K	%	A	%	M	%	Total	%
Commercial bank	108	69	58	62	68	42	234	57
Co-operative bank	16	10	36	38	89	56	131	34
Regional rural bank	32	21	0	0	3	2	35	9
Total	156	100	94	100	160	100	410	100

Source: Survey Data

It is observed from the Table 4.19.1 that out of 410 respondents who availed loan from banks under bank linkage programme. 57 % availed finance from commercial banks, 34% from co-operative banks and 8 % from regional rural banks. District wise analysis shows that In Kozhikode district 69% of the sample availed loan from commercial banks, 21 % from regional rural banks. In Allappuzha 62 % availed finance from commercial banks and 38% from co-operative banks. Contrary to this in Malappuram 56% of the groups were linked with co-operative banks. From the data we can conclude that Commercial banks especially nationalized banks are in the forefront of granting loans to the groups for setting up of micro enterprises..

Table 4.19.2

**Distribution of sample by bank from loan availed
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Commercial bank	69	30	165	93	234	57
Co-operative bank	128	55	13	7	141	34
Regional rural bank	36	15	0	0	35	9
Total	232	100	178	100	410	100

Source: Survey Data

It is seen that 93% of urban respondents availed loan from commercial banks and 7% from co-operative banks, whereas in rural areas 55 % availed finance from co-operative banks, 30 % from commercial banks and 15 % from regional rural banks. It is clear that in urban areas the units were set up earlier under central government scheme and the commercial banks were directed to arrange the loan requirements to the groups who undertake micro enterprises.

Table 4.19.3

**Distribution of sample by bank from loan availed
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Com.Bank	45	51	60	71	56	64	57	54	16	36	234	57
Co-op.bank	31	35	20	24	25	28	45	42	20	46	141	34
RRB	12	14	4	5	7	8	4	4	8	18	35	9
Total	88	100	84	100	88	100	106	100	44	100	410	100

Source: Survey Data

Activity wise analysis shows that 71% of hotel units availed loan from commercial banks, and 46 % of respondents of 'other units' availed loan from co-operative banks. It is also seen that 18.% of samples from other units availed finance from regional rural banks, and only 4% of sample of production units financed by regional rural banks.

4.20 Training

The objective of training programmes in entrepreneurial development are to develop a motivation of potential entrepreneurs, help them in taking up suitable enterprise, enable them to prepare economically viable and technically feasible projects and enhance their enterprise building skills. The success of the enterprise depends upon the skill of the entrepreneur. The poor women may not have skills required for running the enterprise. Many of them enter in this field directly from the four walls of the house. So they require proper training before and after the setting up of enterprise. The kudumbashree mission's role in this area is, arranging training facilities to the entrepreneurs with the help and assistance of training institutes. To assess the role of the mission in this aspect, the number of respondents whose participation in training programmes before and after the setting up of group micro enterprise is considered. Table 4.20.1 gives information regarding the training undergone by the women before and after the commencement of their group enterprise district wise.

Table 4.20.1

**Distribution of respondents by training programmes attended
(before and after starting the enterprise) District wise**

	Before		After	
	Training	Total	Training	Total
Kozhikode	74(46%)	160	58(36%)	160
Allappuzha	80(53%)	152	82(54%)	152
Malappuram	102(64%)	160	84(53%)	160
Total	256(54%)	472	224(47%)	472

Source: Survey Data

It is seen from the table 4.20.1 that 54 % of the respondents have received some sort of training before they start the group enterprise and 47% of them got training after starting group activity. The participation in training programmes shows a declining trend.

District wise analysis shows that 64% women entrepreneurs in Malappuram have received training before their entry in this field, and 54% of respondents in Allappuzha after becoming entrepreneurs. Except Allappuzha, there had a decrease in participation to training programmes after the setting up of enterprises. It may be due to the absence of training facilities or may be due to disinterest shown by the respondents towards training programmes due to poor quality of training or due to personal problems.

Place of domicile wise data shows that in rural 58 % attended for training programmes before the entry and 46% after setting up of enterprise. But in urban areas it is reported that 49% got training before and 51 % after. The decrease in attending training programmes in rural areas may be due to, lack of training facilities or difficulty to attend training programmes due to the problem of mobility, or other socio personal problems of the rural micro entrepreneurs. Table 4.20.2 shows the distribution of sample by training programme, place of domicile wise.

Table 4.20.2

Distribution of sample by training programme attended (Before and After) place of domicile wise

	Before		After	
	Training	Total	Training	Total
Rural	168(58%)	292	113(46%)	292
Urban	88(49%)	180	91(51%)	180
Total	256(54%)	472	224(47%)	472

Source: Survey Data

It is reported that majority of respondents of service units (72 %) and production units (71%) got training before the commencement of their enterprise. It is also seen that 84%of the respondents of hotel units and 54% of 'other units' did not get training before. Here it is concluded that the respondents who got training started innovative type of units and those who did not get training were set up conventional type. It is also seen that in service units 68% attended for training programmes after. But as far as production units are concerned there had a decrease in the percentage of respondents who got training after setting up the venture, from 71 % to 40 %. Table 4.20.3 describes the distribution of sample by training before and after setting up of the enterprise, activity wise.

Table 4.20.3

Distribution of sample by training programme attended (Before and After) nature of activity wise

Products	Before		After	
	Training	Total	Training	Total
Food	59 (55%)	108	54 (50%)	108
Hotel	14 (16%)	88	21 (24%)	88
Service	63 (72%)	88	60 (68%)	88
Production	94 (71%)	132	53 (40%)	132
Others	26 (46%)	56	36 (64%)	56
Total	256 (54.24%)	472	224 (47.46%)	472

Table 4.20.4 explains the distribution of respondents by training before and after setting up group micro enterprise education wise.

Table 4.20.4

Distribution of sample by training programme attended (Before and After) education wise

Education	Before		After	
	Training	Total	Training	Total
Only literate	15 (42%)	37	11 (31%)	37
Primary	66 (42%)	159	65 (41%)	159
Secondary	123 (61%)	203	103 (51%)	203
Above secondary	52 (71%)	21	45 (62%)	21
Total	256 (54%)	472	224 (47%)	472

It is seen that more than 70% of respondents having above secondary education got training before setting up the enterprise, and only literate with 42%. The percentage of respondents with above secondary education attended for training has come down to 62% after and it is 31% in the case of respondents of 'only literate. This is a clear indication that less educated are still having low exposure and there needs more concern towards them for their skill development.

4.21 Distribution of sample by preference of type of loan

The individual loan approach has changed in to group loan approach since it is considered as an effective strategy for sustainable development. Under self-help model the group approach is followed. Table 4.21.1 reveals the opinion of the respondents about which type of loan arrangements they prefer, 71 % respondents reported that they prefer group loan. District wise analysis shows that 84% of respondents in Kozhikode district prefer group loan, it is 78% in Allappuzha, and 51% in Malappuram.

Table 4.21.1

**Distribution of sample by preference of type of loan
(district wise)**

	K	%	A	%	M	%	Total	%
Individual loan	26	16	34	22	78	49	138	29
Group loan	134	84	118	78	82	51	334	71
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen that 84 % of urban respondents prefer group loan and it is 63% in rural. Table 4.21.2 exhibits the distribution of sample by preference of loan urban rural wise.

Table 4.21.2

**Distribution of sample by preference of loan
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Individual loan	109	37	29	16	138	29
Group loan	183	63	151	84	334	71
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.21.3 shows that 82% of respondents of service units and 80 % of respondents of hotel units prefer group loan ` It is seen that 44 % of respondents of food units prefer individual loan. The reason for this higher percentage is because food units can produce food items with in their homes and market it individually.

Table 4.21.3

Distribution of sample by preference of type of loan, Nature of activity wise

	F	%	H	%	S	%	P	%	O	%	Total	%
Individual loan	47	44	18	20	16	18	39	30	18	32	138	29
Group loan	61	56	70	80	72	82	93	70	38	68	334	71
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.22 Distribution of sample by average time spending per day

Table 4.22.1 reveals that 55 % of the respondents spend, less than 8 hours per day into the unit.42 % reported that they spend 8-12 hours per day and only 3% spend more than 12 hours per day. District wise analysis shows that 74 of respondents in Allappuzha, 64 % in Kozhikode spend less than 8 hours per day.66 %of respondents in Malappuram reported that they spend 8-12 hours per day. It is also seen that 5% in Malappuram and 2 % in Allappuzha spend more than 12 hours per day.

Table 4.22.1

Distribution of sample by average time spending per day (District wise)

	K	%	A	%	M	%	Total	%
Less than 8 hrs	102	64	112	74	47	29	261	55
8-12 hrs	58	36	36	24	105	66	199	42
More than 12 hrs	0	0	4	2	8	5	12	3
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen from Table 4.22.2 that 66 % of rural reported that they spend less than 8 hours per day, 31% reported 8-12 hours and 3% reported that more than 12 hours they are spending for their activity.

Table 4.22.2

Distribution of sample by average time spending per day (Place of domicile wise)

	Rural	%	Urban	%	Total	%
Les than 8hrs	192	66	69	38	261	55
8-12hrs	91	31	108	60	199	42
More than 12 hrs	9	3	3	2	12	3
Total	292	100	180	100	472	100

Source: Survey Data

It is reported that 82% in production and 58% food units spend less than 8 hours per day, 82% of Hotel, 49% of service and 41% in food units spend between 8-12 hours.7% of the respondents of 'other units reported that they spend more than 12 hours, Here we can conclude that in other units and in hotel units more time is spend by the respondents and in production units they spend less time per day. Table 4.22.3 reveals the distribution of sample by average time spends per day activity wise.

Table 4.22.3

**Distribution of sample by average time spending per day
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Less than 8 hrs	63	58	11	12	43	49	108	82	36	64	261	55
8-12 hrs	44	41	72	82	43	49	24	18	16	29	199	42
More than 12 h	1	1	5	6	2	2	0	0	4	7	12	3
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.23 Distribution of sample by level of job satisfaction

Table 4.23.1 tells us how women entrepreneurs feel about their satisfaction on the employment. It is a good sign that majority of them that is 54 % asserted that medium level of satisfaction 30% high, as against 16% confessed that they feel low level of satisfaction out of their work. The district wise analysis shows that 72% in Allappuzha feel medium, it is 58% in Kozhikode and 34% in Malappuram.It is a good sign that 58 % of the sample of Malappuram and 20% in Kozhikode, feel high level of satisfaction, but only 12% in Allappuzha feel high level satisfaction.

Table 4.23.1

Distribution of sample by level of job satisfaction (district wise)

	K	%	A	%	M	%	Total	%
Low	36	22	24	16	13	8	73	16
Medium	92	58	110	72	54	34	256	54
High	32	20	18	12	93	58	143	30
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen that 52% respondents in urban areas said that the level of job satisfaction as medium and 34% reported high. In rural areas 16% reported that the level of job satisfaction as low as against 14% in urban. Table 4.23.2 shows the distribution of sample by level of job satisfaction urban rural wise.

Table 4.23.2

Distribution of sample by level of Job satisfaction (Place of domicile wise)

	Rural	%	Urban	%	Total	%
Low	48	16	25	14	73	16
Medium	162	56	94	52	256	54
High	82	28	61	34	143	30
Total	292	100	180	100	472	100

Source: Survey Data

In service unit's majority (51%) asserted the satisfaction level as high, and in production units 25% confessed that they feel low-level satisfaction. 67% in production units and hotels units reported medium level satisfaction. From this analysis it can be concluded that the level of satisfaction is highest in service units and low in production units. Table 4.23.3 explains the distribution of sample by level of job satisfaction, activity wise.

Table 4.23.3

**Distribution of sample by level of job satisfaction
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Low	10	9	6	7	12	15	33	25	11	20	73	16
Medium	51	47	59	67	30	34	89	67	27	48	256	54
High	47	44	23	26	45	51	10	8	18	32	143	30
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.24 Distribution of sample by opinion about male dependence

It is seen from Table 4.24.1 that out of 472 respondents 50% recorded that for the smooth functioning no male help is required, 34 % reported male help is not at all necessary. but 16% have the opinion that it is certainly required. District wise analysis shows that 21% of sample from Malappuram require male help, and 38 % from Allappuzha did not.

Table 4.24.1

**Distribution of sample by opinion about male dependence
(District wise)**

	K	%	A	%	M	%	Total	%
Certainly	24	15	16	11	34	21	74	16
Not necessary	76	48	78	51	82	51	236	50
Not at all necessary	60	37	58	38	44	28	162	34
Total	160	100	152	100	160	100	472	100

Source: Survey Data

As far as rural respondents are concerned 47% have the opinion that male help is not necessary, 38% feel main help is not at all necessary and only 15% opined that it is essential. In urban areas majority (55%) feel that male help is not essential. Table 4.24.2 gives this distribution of sample by opinion about male help urban rural wise.

Table 4.24.2

**Distribution of sample by opinion about male dependence
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Certainly	45	15	29	16	74	16
Not necessary	137	47	99	55	236	50
Not at all necessary	110	38	52	29	162	34
Total	292	100	180	100	472	100

Source: Survey Data

It is seen that 23% of respondents of 'other units' feel male help is essential, and only 12 %of hotel units think so. 50% of respondents of service units and .38% respondents of food units feel that male help is not at all essential. So from the data we can conclude that there are some areas where male help is required, mainly in agro-based units. Table 4.24.3 shows the distribution of sample by opinion about male help activity wise.

Table 4.24.3

**Distribution of sample by opinion about male help
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Certainly	20	18	11	12	13	15	17	13	13	23	74	16
Not necessary	47	44	50	57	31	35	85	64	23	41	236	50
Not at all necessary	41	38	27	31	44	50	30	23	23	36	162	34
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.25 Distribution of sample by opinion about size of the group

Even though it is reported that there are drop outs from the group and not much earnings 61% have suggested that the group must have at least 10 members., and 38.% of the respondents feel that the group of 5 is enough. It is seen that 84% of respondents in Allappuzha

suggested 10member group, and 50% each from Kozhikode and Malappuram are in favour of 5-member group. Table 4.25.1 gives this distribution of sample by opinion about number of members required in a group, district wise.

Table 4.25.1

**Distribution of sample by opinion about size of the group
(District wise)**

	K	%	A	%	M	%	Total	%
Uo to 5	80	50	20	13	80	50	180	38
6-10	80	50	128	84	80	50	288	61
Above 10	0	0	4	3	0	0	4	1
Total	160	100	152	100	160	100	472	100

Source: Survey Data

It is seen that 48 % of rural respondents suggest 5-member group, and 76% of urban respondents feel that it is good to have 10member group. Table 4.25.2 shows the distribution of sample by opinion about number of members required in a group urban rural wise.

Table 4.25.2

**Distribution of sample by opinion about size of the group
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Up to 5	140	48	40	22	180	38
6-10	152	52	136	76	288	61
Above 10	0	0	4	2	4	1
Total	292	100	180	100	472	100

Source: Survey Data

Majority of respondents of service units (74%) suggested 10-member group and 57% of respondents of 'other units' and 47% of respondents of food units opinioned 5-member group is enough. Table 4.25.3 shows the distribution of sample by opinion about number of members in a group activity wise.

Table 4.25.3

**Distribution of sample by opinion about size of the group
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Up to 5	51	47	29	33	23	26	45	34	32	57	180	38
6-10	57	53	59	67	65	74	87	66	20	36	288	61
Above 10	0	0	0	0	0	0	0	0	4	7	4	1
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

4.26 Distribution of Sample by Opinion about Political Interference

Majority of the respondents (87%) have the opinion that there is no political interference in their operations, and 8% told that some sort of interference is there. District wise analysis shows that 18% of respondents in Allappuzha feel some sort of interference. 93 % of respondents of Malappuram and 96 % in Kozhikode feel they had never experienced any political interference. Table 4.26.1 shows the distribution of sample by opinion about political interference, district wise.

Table 4.26.1

**Distribution of sample by opinion about political interference
(District wise)**

	K	%	A	%	M	%	Total	%
Sure	0	0	0	0	2	1	2	0
Some extent	6	4	28	18	3	2	37	8
Never	154	96	108	71	149	93	411	87
No response	0	0	16	11	6	4	22	5
Total	160	100	152	100	160	100	472	100

Source: Survey Data

The urban rural wise distribution of sample by opinion about political interference is given in table 4.26.2 .It is seen that 96 %of urban respondents and 82% rural feel no interference, 10% of rural respondents feel some sort of political interference.

Table 4.26.2

**Distribution of sample by opinion about political interference
(Place of domicile wise)**

	Rural	%	Urban	%	Total	%
Sure	2	1	0	0	2	0
Some extent	31	10	6	3	37	8
Never	239	82	172	96	411	87
No response	20	7	2	1	22	5
Total	292	100	180	100	472	100

Source: Survey Data

Table 4.26.3 shows the distribution of sample by opinion about political interference, activity wise. It is seen that 18 % of respondents of production units feel some sort of interference. But majority of the respondents in all the other types of units have a uniform opinion that there is no political interference.

Table 4.26.3

**Distribution of sample by opinion about political interference
(Nature of activity wise)**

	F	%	H	%	S	%	P	%	O	%	Total	%
Sure	0	0	0	0	0	0	2	2	0	0	2	0
Some extent	2	2	2	2	6	7	25	18	2	4	37	8
Never	99	92	82	93	81	92	99	75	50	89	411	87
No response	7	6	4	5	1	1	6	5	4	7	22	5
Total	108	100	88	100	88	100	132	100	56	100	472	100

Source: Survey Data

SECTION - B

In this section the perceptions of the women micro entrepreneurs are analysed regarding what motivate them to be a member in the group to undertake group based micro enterprises, what is the prime reason for selecting the particular type of activity, the role of Kudumbashree mission in their micro enterprise development and the dropouts from the group.

4.27 Motivation

One of the major objectives of initiating SHGs for women, especially poor is to help them take up and manage their own productive activities which could supplement their household income and employment leading to improved living standards. At the same time these income-generating activities were also expected to serve as an instrument, which can bring about economic awareness and empowerment among the women members.

Entrepreneurship activity in any sphere centers around human motivation, it triggers the desire to achieve, the urge to excel, the willingness to experiment, the courage to draw and think big and the attitude to question the existing beliefs.

In case of women especially poor, self-employment is the safe way to generate income. In addition self-employment also changes the position of women from job seekers to job givers. The quest for economic independence and better social status and some times sheer need of the families survival force women to self employment and entrepreneurship.¹

Women entrepreneurs can be classified based on different motivational criteria, which inspire them to take up entrepreneurship. In the words of Hima Shah², women of different socio economic and educational status opt for entrepreneurship for different reasons. Women from lowest strata who are poor and less educated opt for self-employment out of sheer economic necessity. Then comes to lower

middle class women who take up entrepreneurship to earn more to enhance their social status and standard of living. Then came the educated and qualified who have technical knowledge but not entrepreneurial knowledge and who opt for entrepreneurship for training. Then there are middle class women who have free time but have no knowledge and skills yet want to achieve something in life and opt for entrepreneurship. Last are the high-income groups who are well off and are least interested in entrepreneurship.

According to J S Varshnaya women chooses entrepreneurship due to (1) economic needs, (2) desire to satisfy personal needs(3)urge to utilize their knowledge and skills (4) the necessity to take up family occupation and (5) desire to pursue entrepreneurship as a leisure time activity. It can be seen from these motivational factors that women entrepreneurship is generally perceived as a means for improving one's socio-economic status and for achieving something significant including economic independence.

For most of the informal sector self employment is motivated by economic imperatives aggravated by a shortage of jobs and the absence of social security system. The participation of women in economically productive activities may be looked at from two angles; One is to create the environment needed for healthy and sound entrepreneurship, and the other is to organize more and more rational motivational campaign for the women when she takes on this challenging role and wants to adjust her personality needs, family and social life, and economic independence. To a large majority of Indian women, the highest motivation for enter into venture is the craze for independence, satisfaction, and achievement rather than economic and social compulsion.³.

To study the motivational factors by which the women became the member of the group-based income generating activity/micro enterprise, it has been classified in to three categories, compulsion factors, ambition factors and encouraging factors. Economic related variables such as

unemployment of self, unemployment in the family, no other means of living etc compel them to take up some kind of economic activity. Ambition factors such as seeking economic independence, social status, etc motivate the women folk to be an entrepreneur. Availability of subsidies, success stories, acquired skills etc are the encouraging factors, which induce the women to enter in the area of entrepreneurship.

Out of the 472 selected women micro entrepreneurs, about 63% are motivated by compulsion factors, mainly because of sheer economic necessity. 31% of the respondents reported that they are motivated by ambition factors. Encouraging factors induces only 6%. Table 4.27 shows the distribution of sample by motivational factors.

Table 4.27

Distribution of sample by motivational factors

Motivational factors	Frequency	Percentage
Compulsion factors	298	63
Ambition factors	147	31
Encouraging factors	27	6
Total	472	100

Source: Survey Data

District wise analysis given in Table 4.27.1 shows that the compulsion factor motivated is highest in Allappuzha (80%) and lowest (44%) in Malappuram. It is also seen that 52% of the respondents in Malappuram were motivated by ambition factors and it is 26% in Kozhikode. Encouraging factor as a motivational factor is highest (8%) in Kozhikode and lowest in (4%) in Malappuram.

Table 4.27.1

Motivational factors, District wise (In percentage)

Motivational factors	Kozhikode	Allappuzha	Malappuram
Compulsion factors	66	80	44
Ambition factors	26	14	52
Encouraging factors	8	6	4
Total	100	100	100

Source: Survey Data

To find out whether there is any significant difference between districts as regards the motivational factors, chi square test has been applied and the results are given below.

Ho=There is no significant difference district wise as regards the motivational factors.

Calculated value of chi-square 5.15 DF 4, $p < .001$. An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of $p (< .001)$ is less than the given value of .05 at 5% significance level. Hence the hypothesis is rejected and concludes that there is significant difference district wise as regards the motivational factors.

The place of domicile wise analysis shown in Table 4.27.2 indicate that 69% of the urban and 60% of the rural respondents enter in this field due to sheer economic necessity Ambition factor is reported by 32% in rural and 29% urban respondents.

Table 4.27.2

Motivational factors, Place of domicile wise (In percentage)

Motivational factors	Rural	Urban
Compulsion factors	60	69
Ambition factors	32	29
Encouraging factors	8	2
Total	100	100

Source: Survey Data

To find out whether there is any significant difference, place of domicile wise as regards the motivational factors, chi square test has been applied and the results are given below.

Ho=There is no significant difference place of domicile wise as regards the motivational factors.

Calculated value of chi-square is .15, DF =2, p=. 006. An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of p (.006) is less than the given value of .05 at 5% significance level. Hence the hypothesis is rejected.

Education wise distribution of motivational factors depicts in Table 4.27.3 shows that compelling factors are highest (75%) in primary educated group and lowest (36%) in above secondary educated group. It is also seen that ambition factors highest (61%) in above secondary educated group and lowest (17%) in primary group. Encouraging factors are highest (11%) in 'only literate' groups

Table 4.27.3

Motivational factors, Education wise (In percentage)

Motivational factors	Only literate	Primary	Secondary	Above secondary
Compulsion factors	59	75	64	36
Ambition factors	30	17	32	61
Encouraging factors	11	8	4	3
Total	100	100	100	100

Source: Survey Data

To find out whether there is any significant difference educational wise as regards the motivational factors, chi square test has been applied and the results are given below.

Ho=There is no significant difference educational wise as regards the motivational factors.

Calculated value of chi-square.9.10 DF =6, p=. 001.An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of p (.001) is less than the given value of .05 at 5% significance level. Hence the hypothesis is rejected.

Table 4.27.4 describes the distribution of motivational factors age wise of the sample.

Table 4.27.4

Motivational factors, Age wise (In percentage)

Motivational factors	Below 30	30-40	40-50	Above 50
Compulsion factors	45	64	74	83
Ambition factors	50	29	22	8
Encouraging factors	5	7	4	9
Total	100	100	100	100

Source: Survey Data

From the table 4.27.4 it is seen that the compelling factors are highest (83%) in old age group and lowest (45%) as regards youngsters. As against this ambition motivates 50% of youngsters and only 8% of old age groups.

To find out whether there is any significant difference age wise as regards the motivational factors, chi square test has been applied and the results are given below.

Ho=There is no significant difference age wise as regards the motivational factors.

Calculated value of chi-square.2.52 DF =6, p<. 001.An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of p(<.001) is less than the given value of .05 at 5% significance level. Hence the hypothesis is rejected.

4.28 Reasons for Selecting a Particular Activity

Any legitimate economic activity for increasing income is termed as micro enterprises. There are different types of economic activities, undertaken by the women groups. Which type of enterprise to be started will be a question before the entrepreneur and always there will be a prime reason for selecting a particular line of activity. Table 4.28 gives the distribution of sample by reasons for selecting a particular line of activity. It is seen that 46% of the respondents reported that a particular line of activity is selected in the group meetings as suggested by the resource person or by the field staff of the Kudumbashree mission/cds office bearers. So external directions were the main reason. 24% reported that marketing opportunities and 15% reported the prior experience in this line is the reason. Low technology (7%) less capital (5%), availability of raw material (3%) etc are the other reasons reported.

Table 4.28

Reasons for selecting a particular line of activity (In percentages)

Reasons	Frequency	Percent
Advice by resource persons	219	46
Marketing opportunities	112	24
Prior experience	70	15
Low technology	32	7
Less capital	23	5
Availability of raw materials	16	3
Total	472	100

Source: Survey Data

Table 4.28.1 shows the reasons for selecting the activity district wise.

Table 4.28.1

Reasons for selecting the activity (District wise)

Reasons	K	%	A	%	M	%
Advice by resource persons	64	40	62	41	93	58
Marketing opportunities	62	39	28	18	22	14
Prior experience	20	13	34	22	16	10
Low technology	8	5	12	8	12	7
Less capital	2	1	12	8	9	6
Availability of raw materials	4	2	4	3	8	5
Total	160	100	152	100	160	100

Source: Survey Data

It is seen from Table 4.28.1 that 58% of sample from Malappuram reported suggestions/recommendations as the prime reason, 39% from Kozhikode said marketing opportunities is the reason. 22% of respondents in Allappuzha pointed out prior experience in this field is the prime reason for the selection of activity.

To find out whether there is any significant difference district wise as regards the reasons of selection, chi square test has been applied

Ho= There is no significant difference between districts as regards their reasons for selection.

Calculated value of chi square. 50.19 DF 10 $p < .001$ An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of $p (< .001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the reasons for selection of activity tend to differ based on the three districts.

Table 4.28.2 gives the distribution of reasons for selection of activity place of domicile wise,

Table 4.28.2

Distribution of reasons place of domicile wise

Reasons	Rural	%	Urban	%	Total	%
Advice by resource persons	148	51	71	39	219	46
Marketing opportunities	73	25	39	22	32	24
Prior experience	28	10	42	22	23	15
Low technology	19	6	13	7	70	6
Less capital	20	7	3	2	112	5
Availability of raw materials	4	1	12	8	16	4
Total	292	100	180	100	472	100

Source: Survey Data

It is seen that 51% if rural and 39% of urban cited suggestions/ recommendations as the prime reason.

To find out whether there is significant difference between place of domicile and the reasons, the chi square test has been applied.

Ho= There is no significant difference place of domicile wise.

Calculated value of Chi Square is 33.18 DF 5. $p < .001$. An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of $p (< .001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the reasons for selection of activity tend to differ based on place of domicile.

The distribution of sample by reasons of selecting a particular activity nature of activity wise is given in table 4.28.3

Table 4.28.3

Distribution of reasons, Nature of activity wise

Reasons	F	%	H	%	S	%	P	%	O	%
Advice by resource persons	55	51	37	42	37	42	62	47	28	50
Marketing opportunities	23	21	18	20	18	32	27	20	16	29
Prior experience	15	14	1	1	23	26	24	12	7	12
Low technology	7	6	23	26	0	0	0	4	2	4
Less capital	0	0	9	10	0	0	11	8	3	5
Availability of raw materials	8	7	0	0	0	0	8	6	0	0
Total	108	100	88	100	88	100	132	100	56	100

Source: Sample survey.

It is seen that 51% of respondents in food units reported that suggestions/recommendations as the main reason. Marketing opportunities reported highest (32%) in service units and lowest (20%) in production units. Prior experience is reported highest (26%) in service unit's. Low technology reported highest in hotel units.

To find out the relationship between the nature of activity and the reasons for selecting, chi square test is being applied.

Ho= There is no significant difference between nature of activity and reasons for selection of activity.

Calculated value if chi square 123.78 df 20 $p < .001$ An analysis of the statistical significance of the difference indicates that the difference is significant as the calculated value of $p (< .001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the reasons for selection of activity tend to differ on nature of product nature of activity wise.

4.29 Role of Kudumbashree Mission for Micro Enterprise Development

The plan of action of Kudumbashree mission for the micro enterprise development has been highlighted in their guidelines. So to know the Kudumbashree missions role in this area, has been assessed on the basis of the perception of the respondents regarding this aspect. The plan of action of Kudumbashree mission as regards the micro enterprises developments are,

1. Identification of entrepreneurial instincts through micro plan at NHG level.
2. Selection of potential entrepreneurs after considering their skills and exposure.
3. Arrangements of training programmes on various aspects of micro enterprise development.
4. Preparation of suitable projects with the help of experts.
5. Provision of timely and adequate finance.
6. Monitoring
7. Marketing arrangements.

From the above points, the role of kudumbashree mission for micro enterprise development has been categorized in to six heads, 1 supervision, 2 Escort service 3 Product selection, 4 Marketing support, 5 arrangement of finance 6 training.

Table 4.29 throw light on the aspect of respondent's perception on the type of assistance from Kudumbashree mission regarding their micro enterprise development.

Table 4.29

Distribution of sample by perception regarding the help from Kudumbashree mission

Role of the Mission	Frequency	%	Ranks
Supervision	59	12	2
Escort service	23	5	6
Product selection	57	12	3
Marketing	38	8	5
Arrange finance	244	52	1
Training	51	11	4
Total	472	100	

Source: Survey Data

Out of 472 respondents 52% reported that Kudumbashree mission arranges the finance required for the setting up of micro enterprises. This is by bank linkage programme i.e. the Kudumbashree mission take steps to link the micro enterprise group with the bank from where the loan is to availed for their enterprise. They also arrange subsidies under special component plan of central governments .12% admitted that the mission supervises and monitor the functioning of the enterprise, 11% said that the mission arrange training facilities and only 8% reported the mission make arrangements for marketing their products.

District wise analysis shows that, 69% of the respondents in Kozhikode reported that the main role of Kudumbashree mission is arrangement of finance. it is 54% in Allappuzha and lowest in Malappuram with 34%.Supervisory support is highest (23%) in Malappuram and lowest in Kozhikode Marketing support, reported highest(13%) in Allappuzha and lowest(4%) in Malappuram. 23% of the sample of Allappuzha said the mission supervise and monitor their activities. Table 4.29.1 shows the distribution of sample by help from the Kudumbashree mission, district wise

Table 4.29.1

**Distribution of sample by help from the Mission. District wise
(In percentage)**

	Kozhikode	Allappuzha	Malappuram
Finance	69	54	34
Supervision	0	14	23
Product selection	4	12	21
Training	14	5	13
Escort service	6	3	7
Marketing support	7	13	4
Total	100	100	100

Source: Sample survey

Chi-square; 90.23 DF=10, p<. 000

It is reported by 66 % of samples of hotel units that they get financial support from the mission, lowest reported by service units (43%). 14% of service units and 13 % of production units said they get marketing support. Supervisory support reported highest (24%) in service units and lowest (2%) in hotel units. Table 4.29.2 shows the distribution of support from the Kudumbashree mission product wise.

Table 4.29.2

**Distribution of support from the Kudumbashree mission Nature of
activity wise (in percentage)**

	Food	Hotel	Service	Production	Others
Finance	49	66	43	45	64
Supervision	6	2	24	19	7
Product selection	13	17	7	13	7
Training	18	10	2	10	15
Escort service	11	3	10	0	0
Marketing support	3	2	14	13	7
Total	100	100	100	1001	100

Source; Survey Data

Chi-square; 88.47,DF=20,p<. 000

Table 4.29.3 shows the distribution of sample by support from the Kudumbashree mission, place of domicile wise. It is seen that 48% of the rural and 58 % of the urban reported financial support as the main support. A similar pattern is followed both rural and urban related with majority of all other cases.

Table 4.29.3

**Distribution of sample by support, place of domicile wise
(In percentage)**

	Rural	Urban
Finance	48	58
Supervision	12	12
Product selection	14	10
Training	12	9
Escort service	6	3
Marketing support	8	8
Total	100	100

Source; Sample survey
Chi-square; 6.25,DF=5,p=. 28

4.30 Dropouts

The study noticed substantial withdrawal of women participants from the group. Marriage, better assignments, domestic problems, ill health etc being a few of the several reasons for these drop outs. The same phenomenon is evident from DWCRA programme, a poverty alleviation strategy of central government, formation of women groups and setting up of group income generating activities.

Table 4.30 shows the district wise analysis of percentage dropouts.

Table 4.30

District wise analysis of percentage dropouts

Districts	N	Mean	Standard Deviation
Kozhikode	160	17.25	18.51
Allappuzha	152	16.70	18.52
Malappuram	160	23.49	21.02
Total	472	19.19	19.60

Source: Researcher's Compilation

The above table shows that the percentage of drop out is highest (23.49%) in Malappuram district and lowest (16.70%) in Allappuzha.

An analysis of the place of domicile wise drop out is presented in Table 4.30.1 .It can be seen that the percentage drop out is higher in Urban areas than in Rural areas.

Table 4.30.1

Place of domicile wise analysis of percentage dropouts

Place of domicile	N	Mean	Standard Deviation
Rural	292	14.37	18.19
Urban	180	27.01	19.32
Total	472	19.19	19.60

Source: Researcher's Compilation

An analysis of dropout's education wise is presented in Table 4.30.2.

Table 4.30.2

Education wise analysis of percentage dropouts

Educational status	N	Mean	Standard Deviation
Only literate	37	21.98	20.16
Primary	159	17.60	19.00
Secondary	203	18.95	19.87
Above secondary	73	21.95	19.84
Total	472	19.19	19.60

Source: Researcher's Compilation

It is seen from the above table that the percentage of drop out is highest in only literate group (21.98%) and the lowest drop out rate is reported in primary educated group of respondents.

Nature of activity wise analysis of percentage drop out presented in Table 4.30.3 shows that the drop out rate is highest in service units (Average 24.25). The lowest drop out is reported in the case of food units with an average drop out rate of 15.94. It is seen earlier that majority of the service sector units are run by unmarried women, so the drop out in this sector may be due to marriage and settled by women in husbands place.

Table 4.30.3

Activity wise analyses of percentage drop out

Type of products	N	Mean	Standard Deviation
Food	108	15.94	17.91
Hotel	88	19.69	18.84
Service	88	24.25	18.78
Production	132	18.79	21.76
Others	56	17.68	18.84
Total	472	19.19	19.60

Source: Researcher's Compilation

References

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- 3 Shah Hima and Pathak C H, Women entrepreneurship trainer's Manual, International center for Entrepreneurship and Career Development, Ahammedbad (199...)

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CHAPTER 5

A SOCIAL EMPOWERMENT AND ECONOMIC EMPOWERMENT

In this chapter the extent of social empowerment and economic empowerment of women who undertake group based micro enterprises under Kudumbashree mission has been examined.

Social Empowerment

The social empowerment framework is developed on the basis of consultation with experts in this area and by thorough and detailed study of various dimensions and elements of social empowerment. Based on the suggestions and detailed study the following eight variables were taken for analysis .1 Decision making role 2 social status 3 Mobility 4 participation in social development 5 Group solidarity 6 Communication skill 7 Awareness 8 Leadership skills.

The degree of social empowerment of women micro entrepreneurs under the Kudumbashree mission has been analysed under five categories, 1) District wise 2) Place of domicile wise 3) Education wise 4) Marital status wise 5) Nature of activity wise.

5.1 Decision making role

Decision making role with in the family and outside is an important factor in determining overall social empowerment. The decision making role of women micro entrepreneurs under Kudumbashree mission has been analysed under five categories such as 1) District wise 2) Place of domicile wise 3) Marital status wise 4) Education wise 5) Nature of activity wise.

5.1.1 District wise

Table 5.1.1

Decision making role

	N	Mean	SD	F	P
Kozhikode	160	18.64	3.14	11.76	<.001
Malappuram	160	20.17	2.28		
Allappuzha	152	19.01	3.07		
Total	472	19.27	3.01		

Source: Survey Data

Tabel 5.1.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	203.25	2	101.63	11.76	<.001
With in groups	4053.39	469	8064		
Total	4256.64	471			

It can be observed from the Table 5.1.1 that average decision making role score is 19.27 with a standard deviation of 3.01 as against the maximum attainable score of 30. Hence the study concludes that the women micro entrepreneurs have a moderate level of decision making role.

A district wise analysis of the data presented in Table 5.1.1(a) indicates that the mean score is highest (20.17) in Malappuram district and lowest (18.64) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance

level. Hence the study reveals that the decision-making role of the women micro entrepreneurs tends to differ based on the three districts.

5.1.2 Place of domicile wise

Table 5.1.2

Decision making role

	N	Mean	SD	F	P
Rural	292	19.09	3.21	2.91	.068
Urban	180	19.58	2.63		
Total	472	19.28	3.01		

Source: Survey Data

Table 1.1.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	26.23	1	26.23	2.91	.068
With in groups	4230.41	470	9.00		
Total	4256.64	471			

The level of decision-making role. Place of domicile wise presented in 5.1.2 indicate that it is highest (19.58) in urban areas as compared to a mean score of (19.09) in rural areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.068) is more than the given value of .05 at 5% significance level. Hence the study reveals that the decision-making role of the women micro entrepreneurs do not differ based on place of domicile wise.

5.1.3 Education wise

Table 5.1.3

Decision making role

	N	Mean	SD	F	P
Only literate	37	19.42	2.62	1.59	.192
Primary	159	19.57	3.16		
Secondary	203	18.94	3.06		
Above secondary	73	19.42	2.52		
Total	472	19.28	3.01		

Source: Survey Data

Table 5.1.3 a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	42.80	3	14.27	1.59	.192
With in groups	4213.84	468	9.00		
Total	4256.64	471			

Level of decision making role based on education of the micro entrepreneurs is presented in Table 5.1.3. Study indicates that its mean value is highest (19.57) among primary educated group and lowest (18.94) among the secondary educated group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.192) is more than the given value of .05 at 5% significance level. Hence the study reveals that the extent decision-making role of the women micro entrepreneurs do not differ based on educational level.

5.1.4 Marital status wise

Table 5.1.4

Decision making role

	N	Mean	SD	F	P
Unmarried	68	17.81	2.49	8.96	<.001
Married	352	19.41	3.07		
Divorced	10	18.80	.92		
Widowed	42	20.62	2.61		
Total	472	19.28	3.01		

Source: Survey Data

Table 5.1.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	231.18	3	77.06	8.96	<.001
With in groups	4023.46	468	8.60		
Total	4256.64	471			

The level of decision-making role marital status wise presented in 5.1.4 indicates that it is highest (20.62) in widowed and lowest (17.81) in unmarried. An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the decision-making role of the women micro entrepreneurs tends to differ based on marital status.

5.1.5 Nature of activity wise

Table 5.1.5

Decision making role

	N	Mean	SD	F	P
Food	108	18.95	3.33	9.58	<.001
Hotel	88	19.89	2.91		
Service	88	20.26	1.99		
Production	132	18.17	2.91		
Others	56	20.01	3.18		
Total	472	19.28	3.01		

Source: Survey Data

Table 5.1.5.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	322.71	4	80.68	9.58	<.001
With in groups	3933.94	467	8.42		
Total	4256.64	471			

Decision making role based on nature of activity wise is presented in Table 5.1.5. Study indicates that its mean value is highest (20.26) in service units and lowest (18.17) in production units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that decision-making role of the women micro entrepreneurs tends to differ based on nature of activity undertaken by the micro entrepreneurs.

5.2 Social status

Attaining social status may be treated as another factor of social empowerment, which can be considered while measuring the extent of social empowerment.

5.2.1 District wise

Table 5.2.1
Social status

	N	Mean	SD	F	P
Kozhikode	160	19.99	2.83	17.29	<.001
Malappuram	160	21.91	3.22		
Allappuzha	152	20.73	2.78		
Total	472	20.88	3.05		

Source: Survey Data

Table 5.2.1. a
Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	301.13	2	150.57	17.29	<.001
With in groups	4084.22	469	8.71		
Total	4385.36	471			

It can be observed from the Table 5.2.1 that average social status score is 20.88 with a standard deviation of 3.05 as against the maximum attainable score of 35. Hence the study concludes that the women micro entrepreneurs have a moderate level of social status.

A district wise analysis of the data presented in Table 5.2.1 indicates that the mean score is highest (21.91) in Malappuram district and lowest (19.99) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated

value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the attainment social status of the women micro entrepreneurs tends to differ based on the three districts.

5.2.2 Place of domicile wise

Table 5.2.2

Social status

	N	Mean	SD	F	P
Rural	292	20.56	3.28	8.73	.003
Urban	180	21.41	2.56		
Total	472	20.88	3.05		

Source: Survey Data

Table 5.2.2 a

Analysis o variance

	Sum of squares	D F	Mean squares	F	P
Between groups	79.95	1	79.95	8.73	.003
With in groups	4305.41	470	9.16		
Total	4385.24	471			

The level of social status place of domicile wise presented in 5.2.2 indicate that it is highest (21.41) in urban areas as compared to a mean score of (20.56) in rural areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.003) is less than the given value of .05 at 5% significance level. Hence the study reveals that the attainment of social status of the women micro entrepreneurs differ based on place of domicile wise.

5.2.3. Education wise

Table 5.2.3

Social status

	N	Mean	SD	F	P
Only literate	37	21.30	3.20	2.59	.052
Primary	159	20.81	3.20		
Secondary	203	20.57	3.05		
Above secondary	73	21.67	2.47		
Total	472	20.88	3.05		

Source: Survey Data

Table 5.2.3.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	71.61	3	23.87	2.59	.052
With in groups	4313.75	468	9.22		
Total	4385.36	471			

Level of social status based on education of the micro entrepreneurs is presented in Table 5.2.3. Study indicates that its mean value is highest (21.67) among above secondary group and lowest (20.57) among the secondary group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.052) is more than the given value of .05 at 5% significance level. Hence the study reveals that the level of attainment of social status of the women micro entrepreneurs do not differ based on educational level.

5.2.4 Marital status wise

Table 5.2.4

Social status

	N	Mean	SD	F	P
Unmarried	68	21.22	2.41	.396	.756
Married	352	20.84	3.11		
Divorced	10	20.40	2.67		
Widowed	42	20.79	3.59		
Total	472	20.88	3.05		

Source: Survey Data

Table 5.2.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	11.10	3	3.70	.396	.756
With in groups	4374.25	468	9.34		
Total	4385.36	471			

The level of social status marital status wise presented in 5.2.4 indicates that it is highest (21.22) in unmarried and lowest (20.40) in divorced. An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.756) is more than the given value of .05 at 5% significance level. Hence the study reveals that the social status of the women micro entrepreneurs do not differ based on marital status of micro entrepreneurs.

5.2.5 Nature of activity wise

Table 5.2.5

Social status

	N	Mean	SD	F	P
Food	108	20.57	3.04	23.55	<.001
Hotel	88	22.42	3.01		
Service	88	22.22	1.90		
Production	132	19.23	2.69		
Others	56	20.52	3.33		
Total	472	20.88	3.05		

Source: Survey Data

Table 5.2.5.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	736.12	4	184.03	23.55	<.001
With in groups	3649.24	467	7.81		
Total	4385.34	471			

Social status based on nature of activity wise is presented in Table 5.2.5. Study indicates that its mean value is highest (22.42) in hotel units and lowest (19.23) in production units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that attainment of social status of the women micro entrepreneurs tends to differ based on nature of product undertaken by them.

5.3 Mobility

Mobility means the capability to travel without fear and with increased confidence.

5.3.1 District wise

Table 5.3.1

Mobility

	N	Mean	SD	F	P
Kozhikode	160	10.35	1.95	15.48	<.001
Malappuram	160	11.64	2.64		
Allappuzha	152	11.46	2.08		
Total	472	11.15	2.31		

Source: Survey Data

Table 5.3.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	156.06	2	78.03	15.48	<.001
With in groups	2364.86	469	5.04		
Total	2520.91	471			

It can be observed from the Table 5.3.1 that average mobility score is 11.55 with a standard deviation of 2.31 as against the maximum attainable score of 20. Hence the study concludes that the women micro entrepreneurs have a moderate level of mobility

A district wise analysis of the data presented in Table 5.3.1 indicates that the mean scores is highest (11.64) in Malappuram district and lowest (10.35) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the mobility of the women micro entrepreneurs tends to differ based on the three districts.

5.3.2 Place of domicile wise

Table 5.3.2

Mobility

	N	Mean	SD	F	P
Rural	292	11.48	2.22	16.06	<.001
Urban	180	10.61	2.37		
Total	472	11.15	2.31		

Source: Survey Data

5.3.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	83.30	1	83.30	16.06	<.001
With in groups	2437.61	470	5.19		
Total	2520.91	471			

The mobility, place of domicile wise presented in 5.3.2 indicate that it is highest (11.48) in rural areas as compared to a mean score of (10.61) in urban areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<. 001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the mobility of the women micro entrepreneurs differ based on place of domicile wise.

5.3.3 Education wise

Table 5.3.3

Mobility

	N	Mean	SD	F	P
Only literate	37	10.68	2.38	1.35	.256
Primary	159	11.10	2.59		
Secondary	203	11.35	2.31		
Above secondary	73	10.90	2.11		
Total	472	11.15	2.31		

Source: Survey Data

Table 5.3.3.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	21.62	3	7.208	1.35	.256
With in groups	2499.29	468	5.340		
Total	2520.91	471			

Mobility based on education of the micro entrepreneurs is presented in Table 5.3.3. Study indicates that its mean value is highest (11.35) among secondary educated group and lowest (10.68) among the only literate group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.256) is more than the given value of .05 at 5% significance level. Hence the study reveals that the mobility of the women micro entrepreneurs do not differ based on educational level.

5.3.4 Marital wise

Table 5.3.4

Mobility

	N	Mean	SD	F	P
Unmarried	68	10.03	2.14	10.38	<.001
Married	352	11.24	2.29		
Divorced	10	10.40	2.63		
Widowed	42	12.38	2.67		
Total	472	11.15	2.31		

Source: Survey Data

Table 5.3.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	157.24	3	52.41	10.38	<.001
With in groups	2363.68	468	5.05		
Total	2520.91	471			

Marital status wise mobility presented in 5.3.4 indicates that it is highest (12.38) in widowed and lowest (10.03) in unmarried. An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the mobility of the women micro entrepreneurs tends to differ based on marital status of micro entrepreneurs.

5.3.5 Nature of activity wise

Table 5.3.5

Mobility

	N	Mean	SD	F	P
Food	108	11.37	2.35	2.41	.048
Hotel	88	10.74	2.41		
Service	88	11.33	2.28		
Production	132	10.87	2.16		
Others	56	11.71	2.35		
Total	472	11.15	2.31		

Source: Survey Data

Table 5.3.5a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	51.06	4	12.78	2.41	.048
With in groups	2469.66	467	5.29		
Total	2520.91	471			

Mobility based on nature of activity wise is presented in Table 5.3.5. Study indicates that its mean value is highest (11.71) in 'other' units and lowest (10.74) in hotel units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.048) is less than the given value of .05 at 5% significance level. Hence the study reveals that mobility of the women micro entrepreneurs tends to differ based on nature of activity undertaken by them.

5.4 Participation in Social Development

It means to work for the common goal and for the betterment of the society.

5.4.1 District Wise

Table 5.4.1

Participation in social developments

	N	Mean	SD	F	P
Kozhikode	160	10.95	1.92	97.27	<.001
Malappuram	160	13.96	2.57		
Allappuzha	152	11.17	1.91		
Total	472	12.05	2.56		

Source: Survey Data

Table 5.4.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	907.78	2	453.89	97.27	<.001
With in groups	2188.10	469	4.69		
Total	3095.88	471			

It can be observed from the Table 5.4.1 that average score of participation in social developments score is 12.05 with a standard deviation of 2.56 as against the maximum attainable score of 20. Hence the study concludes that the women micro entrepreneurs have a moderate level of participation in social developments..

A district wise analysis of the data presented in Table 5.4.1 indicates that the mean score is highest (13.96) in Malappuram district and lowest (10.95) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated

value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the participation in social developments of the women micro entrepreneurs tends to differ based on the three districts.

5.4.2 Place of domicile wise

Table 5.4.2

Participation in social developments

	N	Mean	SD	F	P
Rural	292	12.52	2.63	27.39	<.001
Urban	180	11.28	2.27		
Total	472	12.05	2.56		

Source: Survey Data

Table 5.4.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	170.45	1	170.45	27.39	<.001
With in groups	2925.43	470	6.22		
Total	3095.88	471			

Participation in social developments, place of domicile wise presented in 5.4.2 indicate that it is highest (12.52) in rural areas as compared to a mean score of (11.28) in urban areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the participation in social developments of the women micro entrepreneurs differ based on place of domicile wise.

5.4.3 Education wise

Table 5.4.3

Participation in social developments

	N	Mean	SD	F	P
Only literate	37	12.14	3.30	3.26	.021
Primary	159	12.35	2.67		
Secondary	203	12.09	2.36		
Above secondary	73	11.23	2.32		
Total	472	12.05	2.56		

Source: Survey Data

Table 5.4.3.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	63.32	3	21.11	3.26	.021
With in groups	3032.56	468	6.48		
Total	3095.88	471			

Participation in social developments based on education of the micro entrepreneurs is presented in Table 5.4.3. Study indicates that its mean value is highest (12.35) among primary educated group and lowest (11.23) among the above secondary group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.021) is less than the given value of .05 at 5% significance level. Hence the study reveals that the level of participation of the women micro entrepreneurs differ based on educational level.

5.4.4 Marital Status Wise

Table 5.4.4

Participation in social developments

	N	Mean	SD	F	P
Unmarried	68	11.22	2.25	5.21	.002
Married	352	12.32	2.54		
Divorced	10	11.00	2.71		
Widowed	42	11.40	2.85		
Total	472	12.05	2.56		

Source: Survey Data

Table 5. 4.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	100.07	3	33.36	5.21	.002
With in groups	2995.81	468	6.40		
Total	3095.88	471			

Participation in social developments marital status wise presented in 5.4.4 indicates that it is highest (12.32) in married women and lowest (11) in divorced. An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.002) is less than the given value of .05 at 5% significance level. Hence the study reveals that the participation in social development of the women micro entrepreneurs tends to differ based on marital status wise.

5.4.5 Nature of activity wise

Table 5.4.5

Participation in social developments

	N	Mean	SD	F	P
Food	108	12.61	2.66	3.69	.006
Hotel	88	12.36	2.70		
Service	88	11.44	2.49		
Production	132	11.69	1.93		
Others	56	12.27	3.26		
Total	472	12.05	2.56		

Source: Survey Data

Table 5.4.5.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	94.69	4	23.72	3.69	.006
With in groups	3000.99	467	6.43		
Total	3095.88	471			

Participation in social developments based on nature of activity wise is presented in Table 5.4.5. Study indicates that its mean value is highest (12.61) in food units and lowest (11.44) in service units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.006) is less than the given value of .05 at 5% significance level. Hence the study reveals that Participation in social developments of the women micro entrepreneurs tend to differ based on nature of activity undertaken by them.

5.5.1 Group solidarity

A feeling of oneness, readiness to sacrifice personal interests in favor of larger common goals.

Table 5.5.1

Group solidarity

	N	Mean	SD	F	P
Kozhikode	160	27.89	.81	2.80	.062
Malappuram	160	28.09	1.43		
Allappuzha	152	27.83	.60		
Total	472	27.94	1.02		

Source: Survey Data

Table 5.5.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	5.79	2	2.90	2.80	.062
With in groups	484.30	469	1.03		
Total	490.09	471			

It can be observed from the Table 5.5.1 that average group solidarity score is 27.94 with a standard deviation of 1.02 as against the maximum attainable score of 35. Hence the study concludes that the women micro entrepreneurs have a high degree of group solidarity.

A district wise analysis of the data presented in Table 5.5.1 indicates that the mean score is highest (28.09) in Malappuram district and lowest (27.83) in Allappuzha.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.062) is more than the given value of .05 at 5% significance level. Hence the study reveals that the group solidarity of the women micro entrepreneurs do not differ based on the three districts.

5.5.2 Place of domicile wise

Table 5.5.2

Group solidarity

	N	Mean	SD	F	P
Rural	292	27.90	1.01	1.13	.288
Urban	180	28.00	1.04		
Total	472	27.94	1.02		

Source: Survey Data

Table 5.5.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	1.18	1	1.18	1.13	.288
With in groups	488.92	470	1.04		
Total	490.09	471			

Group solidarity place of domicile wise presented in 5.5.2 indicate that it is highest (28) in urban areas as compared to a mean score of (27.9) in rural areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.288) is more than the given value of .05 at 5% significance level. Hence the study reveals that the group solidarity of the women micro entrepreneurs do not differ based on place of domicile wise.

5.5.3 Education wise

Table 5.5.3

Group solidarity

	N	Mean	SD	F	P
Only literate	37	27.62	1.67	1.39	.244
Primary	159	27.95	.89		
Secondary	203	27.95	1.03		
Above secondary	73	28.03	.78		
Total	472	27.94	1.02		

Source: Survey Data

Table 5.5.3.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	4.34	3	1.44	1.39	.244
With in groups	485.75	468	1.04		
Total	490.09	471			

Group solidarity based on education of the micro entrepreneurs is presented in Table 5.5.3. Study indicates that its mean value is highest (28.03) among above secondary educated group and lowest (27.62) among the only literate group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.244) is more than the given value of .05 at 5% significance level. Hence the study reveals that the group solidarity of the women micro entrepreneurs do not differ based on educational level.

5.5.4 marital status wise

Table 5.5.4

Group solidarity

	N	Mean	SD	F	P
Unmarried	68	28.03	.75	.55	.646
Married	352	27.94	1.05		
Divorced	10	27.80	.63		
Widowed	42	27.79	1.20		
Total	472	27.94	1.02		

Source: Survey Data

Table 5.5.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	1.73	3	.58	.55	.646
With in groups	488.36	468	1.04		
Total	490.09	471			

The level of decision-making role marital status wise presented in 5.5.4 indicates that it is highest (28.03) in unmarried and lowest (27.79) in widowed. An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.646) is more than the given value of .05 at 5% significance level. Hence the study reveals that the group solidarity of the women micro entrepreneurs does not tend to differ marital status wise of micro entrepreneurs.

5.5.5 Nature of activity wise

Table 5.5.5

Group solidarity

	N	Mean	SD	F	P
Food	108	26.01	.40	.345	.847
Hotel	88	27.85	1.97		
Service	88	27.98	.72		
Production	132	27.91	.79		
Others	56	27.93	.37		
Total	472	27.94	1.02		

Source: Survey Data

Table 5.5.5.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	1.45	4	.36	.345	.847
With in groups	488.65	467	1.05		
Total	490.09	471			

Group solidarity based on nature of activity wise is presented in Table 5.5.5. Study indicates that its mean value is highest (27.98) in service units and lowest (26.01) in food units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is not significant as the calculated value of p (.847) is more than the given value of .05 at 5% significance level. Hence the study reveals that Group solidarity of the women micro entrepreneurs do not tends to differ based on nature of activity undertaken by them.

5.6 Communication Skill

The capacity to exchange ideas opinions, the feeling that one can understand others and one can be understood.

5.6.1 District wise

Table 5.6.1

Communication skill

	N	Mean	SD	F	P
Kozhikode	160	11.95	2.15	25.30	<.001
Malappuram	160	13.59	2.26		
Allappuzha	152	13.34	2.26		
Total	472	12.96	2.33		

Source: Survey Data

Table 5.6.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	249.66	2	124.83	25.30	<.001
With in groups	2314.40	469	4.94		
Total	2564.07	471			

It can be observed from the Table 5.6.1 that average score on communication skill is 12.96 with a standard deviation of 2.33 as against the maximum attainable score of 20. Hence the study concludes that the women micro entrepreneurs have a moderate level communication skill.

A district wise analysis of the data presented in Table 5.6.1 indicates that the mean scores is highest (13.59) in Malappuram district and lowest (11.95) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the communication skill of the women micro entrepreneurs tends to differ based on the three districts.

5.6.2 Place of domicile wise

Table 5.6.2

Communication skill

	N	Mean	SD	F	P
Rural	292	13.13	2.41	4.15	.042
Urban	180	12.68	2.19		
Total	472	12.96	2.33		

Source: Survey Data

Table 5.6.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	22.44	1	22.44	4.15	.042
With in groups	2541.62	470	5.41		
Total	2564.07	471			

Communication skills, place of domicile wise presented in 5.6.2 indicates that it is highest (13.13) in rural areas as compared to a mean score of (12.68) in urban areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.042) is less than the given value of .05 at 5% significance level. Hence the study reveals that the communication skills of the women micro entrepreneurs differ based on place of domicile wise.

5.6.3 Education wise

Table 5.6.3

Communication skill

	N	Mean	SD	F	P
Only literate	37	12.57	2.35	28.53	<.001
Primary	159	11.98	2.13		
Secondary	203	13.15	2.17		
Above secondary	73	14.74	1.99		
Total	472	12.96	2.33		

Source: Survey Data

Table 5.6.3.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	396.42	3	132.14	28.53	<.001
With in groups	2167.65	468	4.63		
Total	2564.07	471			

Communication skills based on education of the micro entrepreneurs is presented in Table 5.6.3. Study indicates that its mean value is highest (14.74) among above secondary educated group and lowest (11.98) among the primary group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the level of communication skills of the women micro entrepreneurs differ based on educational level.

5.6.4 Marital status wise

Table 5.6.4

Communication skill

	N	Mean	SD	F	P
Unmarried	68	12.66	2.13	5.70	.001
Married	352	13.16	2.34		
Divorced	10	10.80	1.03		
Widowed	42	12.21	2.38		
Total	472	12.96	2.33		

Source: Survey Data

Table 5.6.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	90.40	3	30.14	5.70	.001
With in groups	2473.66	468	5.23		
Total	2564.07	471			

The level of communication skills based on marital status presented in 5.6.4 indicates that it is highest (13.16) in married women and lowest (10.80) divorced. An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the communication skills of the women micro entrepreneurs tend to differ based on marital status.

5.6.5 Nature of activity wise

Table 5.6.5

Communication skill

	N	Mean	SD	F	P
Food	108	13.16	2.42	4.87	.001
Hotel	88	12.30	2.45		
Service	88	13.74	2.17		
Production	132	12.76	2.04		
Others	56	12.84	2.54		
Total	472	12.96	2.33		

Source: Survey Data

Table 5.6.5.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	102.64	4	24.66	4.87	.001
With in groups	2461.43	467	5.27		
Total	2564.07	471			

Communication skills based on nature of activity wise is presented in Table 5.6.5. Study indicates that its mean value is highest (13.74) in service units and lowest (12.30) in hotel units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that Communication skills of the women micro entrepreneurs tend to differ based on nature of activity undertaken by them.

5.7 Awareness

Understanding what is happening around and attaining the power to respond positively towards it.

5.7.1 District wise

Table 5.7.1

Awareness

	N	Mean	SD	F	P
Kozhikode	160	15.55	1.46	33.29	<.001
Malappuram	160	17.36	2.56		
Allappuzha	152	17.14	2.32		
Total	472	16.68	2.31		

Source: Survey Data

Table 5.7.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	311.66	2	155.83	33.29	<.001
With in groups	2195.39	469	4.68		
Total	2507.05	471			

It can be observed from the Table 5.7.1 that average score of awareness is 16.68 with a standard deviation of 2.31 as against the maximum attainable score of 30. Hence the study concludes that the women micro entrepreneurs have a moderate level of awareness.

A district wise analysis of the data presented in Table 5.7.1 indicates that the mean scores is highest (17.36) in Malappuram district and lowest (15.55) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the awareness of the women micro entrepreneurs tend to differ based on the three districts.

5.7.2. Place of domicile wise

Table 5.7.2

Awareness

	N	Mean	SD	F	P
Rural	292	16.94	2.25	9.94	.002
Urban	180	16.25	2.34		
Total	472	16.68	2.31		

Source: Survey Data

Table 5.7.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	51.92	1	51.92	9.94	.002
With in groups	2455.14	470	5.22		
Total	2507.05	471			

The level of awareness place of domicile wise presented in 5.7.2 indicate that it is highest (16.94) in rural areas as compared to a mean score of (1.25) urban areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p (.002)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the awareness of the women micro entrepreneurs differ based on place of domicile wise.

5.7.3 Education wise

Table 5.7.3

Awareness

	N	Mean	SD	F	P
Only literate	37	15.81	2.86	22.17	<.001
Primary	159	16.02	2.17		
Secondary	203	16.73	1.92		
Above secondary	73	18.40	2.40		
Total	472	16.68	2.31		

Source: Survey Data

Table 5.7.3 a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	311.90	3	103.97	22.17	<.001
With in groups	2195.15	468	4.69		
Total	2507.02	471			

Level of awareness based on education of the micro entrepreneurs is presented in Table 5.7.3. Study indicates that its mean value is highest (18.40) among above secondary educated group and lowest (15.81) among the only literate group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the level of awareness of the women micro entrepreneurs tend to differ based on educational level.

5.7.4 Marital status wise

Table 5.7.4

Awareness

	N	Mean	SD	F	P
Unmarried	68	16.51	1.95	14.80	<.001
Married	352	16.99	2.30		
Divorced	10	17.70	1.34		
Widowed	42	14.83	2.01		
Total	472	16.68	2.31		

Source: Survey Data

Table 5.7.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	217.20	3	72.40	14.80	<.001
With in groups	2289.85	468	4.89		
Total	2507.05	471			

The level of decision-making role marital status wise presented in 5.7.4 indicates that it is highest (17.70) in divorced and lowest (14.83) in widowed. An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the awareness of the women micro entrepreneurs tend to differ based on marital status..

5.7.5 Nature of activity wise

Table 5.7.5

Awareness

	N	Mean	SD	F	P
Food	108	17.20	2.58	5.24	<.001
Hotel	88	16.15	2.40		
Service	88	17.24	2.08		
Production	132	16.48	2.09		
Others	56	16.07	2.11		
Total	472	16.68	2.31		

Source: Survey Data

Table 5.7.5a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	107.78	4	26.95	5.24	<.001
With in groups	2399.27	467	5.25		
Total	2507.05	471			

Awareness based on nature of activity wise is presented in Table 5.7.5. Study indicates that its mean value is highest (17.24) in service units and lowest (16.07) in 'other' units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that Level of awareness of the women micro entrepreneurs tends to differ based on nature of activity undertaken by them.

5.8 Leadership

The feeling that I have my own role and I am not to be led by others.

5.8.1 District wise

Table 5.8.1

Leadership

	N	Mean	SD	F	P
Kozhikode	160	27.85	3.16	16.74	<.000
Malappuram	160	29.23	2.97		
Allappuzha	152	29.64	2.45		
Total	472	28.90	2.98		

Source: Survey Data

Table 5.8.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	278.25	2	139.13	16.74	<.001
With in groups	3897.66	469	8.31		
Total	4175.91	471			

It can be observed from the Table 5.8.1 that average leadership score is 28.90 with a standard deviation of 2.98 as against the maximum attainable score of 45. Hence the study concludes that the women micro entrepreneurs have a moderate level of leadership skill.

A district wise analysis of the data presented in Table 5.8.1 indicates that the mean score is highest (29.64) in Allappuzha district and lowest (27.85) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated

value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the leadership skills of the women micro entrepreneurs tend to differ based on the three districts.

5.8.2 Place of domicile wise

Table 5.8.2

Leadership

	N	Mean	SD	F	P
Rural	292	29.36	2.90	19.27	<.001
Urban	180	28.14	2.96		
Total	472	28.70	2.98		

Source: Survey Data

Table 5.8.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	164.43	2	164.43	19.27	<.001
With in groups	4011.49	470	8.54		
Total	4175.91	471			

The leadership skills, place of domicile wise presented in 5.8.2 indicates that it is highest (29.36) in rural areas as compared to a mean score of (28.14) in urban areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the leadership skills of the women micro entrepreneurs differ based on place of domicile wise.

5.8.3 Education wise

Table 5.8.3

Leadership

	N	Mean	SD	F	P
Only literate	37	27.19	3.30	22.89	<.001
Primary	159	27.92	2.96		
Secondary	203	29.33	2.64		
Above secondary	73	30.70	2.51		
Total	472	28.90	2.98		

Source: Survey Data

Table 5.8.3.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	534.39	3	176.13	22.89	<.001
With in groups	3641.63	468	7.78		
Total	4175.91	471			

Leadership skills based on education of the micro entrepreneurs is presented in Table 5.8.3. Study indicates that its mean value is highest (30.70) among above secondary educated group and lowest (27.19) among the only literate group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the level of leadership skills of the women micro entrepreneurs tends to differ based on educational status of the micro entrepreneurs.

5.8.4 Marital status wise

Table 5.8.4

Leadership

	N	Mean	SD	F	P
Unmarried	68	27.87	2.71	15.96	<.001
Married	352	29.38	2.87		
Divorced	10	25.20	2.57		
Widowed	42	27.38	2.92		
Total	472	28.90	2.98		

Source: Survey Data

Table 5.8.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	387.61	3	129.20	15.96	<.001
With in groups	3788.30	468	8.09		
Total	4175.91	471			

The leadership skills, marital status wise presented in 5.8.4 indicates that it is highest (29.38) in married and lowest (25.20) in divorced. An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the leadership skills of the women micro entrepreneurs tend to differ based on marital status of micro entrepreneurs.

5.8.5 Nature of activity wise

Table 5.8.5

Leadership

	N	Mean	SD	F	P
Food	108	29.28	2.53	67.00	<.001
Hotel	88	28.05	3.11		
Service	88	30.10	2.38		
Production	132	28.47	2.90		
Others	56	28.81	3.27		
Total	472	28.90	2.98		

Source: Survey Data

Table 5.8.5.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	236.11	4	59.03	67.00	<.001
With in groups	3939.80	467	8.44		
Total	4175.91	71			

Leadership skills based on nature of activity is presented in Table 5.8.5. Study reveals that its mean value is highest (30.10) in service units and lowest (28.05) in hotel units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that Leadership skills of the women micro entrepreneurs tend to differ based on nature of activity undertaken by them.

Apart from analyzing the social empowerment indicators, it has been consolidated and presented to know the extend the social

empowerment in the five categories, District wise, Place of domicile wise, Education wise, Marital status wise and nature of activity wise.

5.9 Social Empowerment

5.9.1 District wise

A district wise analysis of the data presented in Table 5.9.1 indicates that the mean score is highest (155.96) in Malappuram district and lowest (143.16) in Kozhikode.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (<.001) is less than the given value of .05 at 5% significance level. Hence the study reveals that the extent of social empowerment of the women micro entrepreneurs tends to differ based on the three districts.

Table 5.9.1.

Social empowerment

District	N	Mean	SD	F	P
Kozhikode	160	143.16	12.14	43.40	<.001
Allappuzha	152	150.34	10.14		
Malappuram	160	155.96	14.28		
Total	472	149.82	13.40		

Source: Survey Data

Table 5.9.1.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	13206.76	2	6603.38	43.41	<.001
With in groups	71346.93	469	152.13		
Total		471			

5.9.2 Social empowerment, Place of domicile wise

The level of social empowerment place of domicile wise presented in 5.9.2 indicate that it is highest (150.96) in rural areas as compared to a mean score of (147.96) in urban areas.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of p (.017) is less than the given value of .05 at 5% significance level. Hence the study reveals that the extent of social empowerment of the women micro entrepreneurs tends to differ based on place of domicile wise.

Table 5.9.2

Social empowerment

	N	Mean	SD	F	P
Rural	292	150.97	14.18	5.69	.017
Urban	180	147.96	11.83		
Total	472	149.82	13.39		

Source: Survey Data

Table 5.9.2.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	1011.33	1	1011.33	5.69	.017
With in groups	83542.37	470	177.75		
Total	84553.69	471			

5.9.3 Social empowerment, Education wise

Level of social empowerment based on education of the micro entrepreneurs is presented in Table 5.9.3. Study indicates that its mean value is highest (155.10) among the above secondary group and lowest (146.89) among the 'only literate' group.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the extent of social empowerment of the women micro entrepreneurs tends to differ based on educational level.

Table 5.9.3

Social empowerment

	N	Mean	SD	F	P
Only literate	37	146.89	16.61	5.89	.001
Primary	159	147.70	13.82		
Secondary	203	150.11	12.49		
Above secondary	73	155.10	11.72		
Total	472	149.82	13.40		

Source: Survey Data

Table 5.9.3.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	3078.30	3	1026.10	5.894	.001
With in groups	81475.40	468	174.09		
Total	84553.69	471			

5.9.4 Social empowerment, Marital status wise

The level of social empowerment marital status wise presented in 5.9.4 indicates that it is highest (151.28) in married women and lowest (139.10) in divorced. An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p (<.001)$, is less than the given value of .05 at 5% significance level. Hence the study reveals that the extent of social

empowerment of the women micro entrepreneurs tends to differ based on marital status.

Table 5.9.4

Social empowerment

	N	Mean	SD	F	P
Unmarried	68	145.35	10.69	6.73	<.001
Married	352	151.28	13.44		
Divorced	42	139.10	6.77		
Widowed	10	147.40	15.31		
Total	472	149.40	13.40		

Source: Survey Data

Table 5.9.4.a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	3496.87	3	1165.63	6.73	<.001
With in groups	51056.82	469	173.20		
Total	84553.69	471			

5.9.5 Social empowerment, Nature of activity wise

Level of social empowerment based on nature of activity wise is presented in Table 5.9.5. Study indicates that its mean value is highest (154.32) in service units and lowest (145.58) in production units.

An analysis of the statistical significance of the difference indicates that the difference in the mean value is significant as the calculated value of $p(<.001)$ is less than the given value of .05 at 5% significance level. Hence the study reveals that the extent of social empowerment of the women micro entrepreneurs tends to differ based on nature of activity undertaken by the micro entrepreneurs.

Table 5.9.5

Social empowerment

	N	Mean	SD	F	P
Food	108	151.16	14.62	6.339	<.001
Hotel	88	149.75	14.84		
Service	88	154.32	10.16		
Production	132	145.58	11.41		
Others	56	150.27	14.85		
Total	472	149.82	13.40		

Source: Survey Data

Table 5.9.5 a

Analysis of variance

	Sum of squares	D F	Mean squares	F	P
Between groups	4354.72	4	1088.68	6.339	<.001
With in groups	80198.98	467	171.73		
Total	84553.69	471			

From the analysis of the social empowerment indicators, It is observed that average level of social empowerment score 149.82 with SD 13.40 as against the maximum attainable score of 235. Hence the study concludes that the micro entrepreneurs possess a moderate degree of social empowerment. Table 5.10 presents the values

Table 5.10

Descriptive statistics

N	Mean	SD	Minimum	Maximum
472	149.82	13.40	113.00	207.00

Source: Researchers compilation

Economic Empowerment

This part deals with measuring the extent of economic empowerment of women micro entrepreneurs under the Kudumbashree mission. Economic empowerment can be measured by considering the variable like income, savings, assets position etc But due to the non availability of particulars of savings and asset positions the researcher depends on monthly income as the only variable for measuring the extent of economic empowerment. It is perused under three categories such as 1) District wise 2) Place of domicile wise 3) Nature of activity wise.

5.11 Income

Income may be conceived as a fair measure of economic empowerment of the beneficiaries. There are many methodological problems in handling the issue of earnings. The main difficulties posed may be under reporting by the beneficiaries, recall bias etc. In the case of absence of properly maintained accounts by micro entrepreneurs, the measurement of income will be more difficult. Here the researcher determine the details of income from the women micro entrepreneurs on recall method.

5.11.1 Income -District wise

The district wise monthly income of micro entrepreneurs under kudumbashree mission revealed by the perception of the respondents is presented in Table 5.11.1. It can be observed that average monthly income is (1083.35) with standard deviation of 659.01. This shows that the economic empowerment in terms of income is at low level since it is less than Rs 1500, which is targeted by the Kudumbashree mission as the minimum income to be obtained per month.

District wise analysis of the same data presented in 5.11.1 indicates that the aggregate average income is highest (1163.75) in Malappuram and lowest (1005) in Kozhikode.

An analysis of the statistical significance of mean difference indicates the difference in the mean value is not significant since p value (.098) is greater than the given value of .05 at 5% level of significance. Hence the study reveals that the monthly income of women micro entrepreneurs donot tends to differ based on three districts.

Table 5.11.1
Monthly Income

District	N	Mean	S.D	F Value	P value
Kozhikode	160	1005	569.65	2.34	.098
Allappuzha	152	1081.18	753.98		
Malappuram	160	1163.75	639.87		
Total	472	1083.35	659.01		

Source: Survey data

Table 5.11.1(a)
Analysis of Variance

Source	D.F	Sum of Squares	Mean Squares	F	P
Between groups	2	2017174	1008587	2.34	.098
With in groups	469	2085377.44	431850.2		
Total	471				

5.11.2 Income, Place of domicile wise

Table 5.11.2 provides place of domicile wise analysis of monthly income levels of women micro entrepreneurs. It can be observed from the table that the average monthly income was highest in urban areas (1352.22) as against rural areas (917.60). Measuring the statistical significance of mean difference from table 1.10.2(a) indicate that the difference in mean income is significant since computed p value (.001) is less than the given value of .05 at 5% level. Hence the study found that

there is significant difference in average monthly income of the micro entrepreneurs place of domicile wise.

Table 5.11.2

Monthly Income

Place of domicile	N	Mean	S.D	F Value	P Value
Rural	292	917.60	537.27	5.48	.001
Urban	180	1352.22	745.64		
Total	472	1083.35	659.01		

Source: Survey Data

Table 5.11.2 (a)

Analysis of Variance

Source	D.F	Sum of Squares	Mean Squares	F	P
Between groups	1	21034478	21034478	53.87	.001
With in groups	470	18352043	390469		
Total	471				

5.11.3 Income, Nature of activity wise

Nature of activity wise average monthly income as reported by the respondents given in Table 1.10.3 indicate that average monthly income is highest (1609.09) for service units, lowest average monthly income was reported among production units (707.95) and hotel units, food processing units and other categories with average monthly income (1478.86) (916.20)(842.86) respectively.

Measuring the statistical significance of mean difference from table 5.11.3(a) shows that the difference in average income is significant since the computed p value (.001) is less than the given value .05 at 5%level. Hence the study found that there is significant difference in average income of the women micro enterprises nature of activity wise.

Table 5.11.3

Monthly Income

Nature of product	N	Mean	S.D	F Value	P value
Food	108	916.20	402.78	51.9	.001
Hotel	88	1478.86	647.18		
Service	88	1609.09	745.81		
Production	132	707.95	493.23		
Others	56	842.86	370.43		
Total	472	1083.35	659.01		

Source: Survey Data

Table 5.11.3(a)

Analysis of variance

Source	D.F	Sum of Squares	Mean Squares	F	P
Between groups	4	62947264	15736816	51.9	.001
With in groups	467	141607648	303228.4		
Total	471				

PROBLEMS OF WOMEN MICRO ENTREPRENEURS

Sreedharan. T. K “A study of micro enterprises under self help groups , with special reference to Kudumbashree mission Kerala ” Thesis. Department of Commerce and Management Studies , University of Calicut, 2006

CHAPTER 6

PROBLEMS OF WOMEN MICRO ENTREPRENEURS

The study conducted revealed many problems of women micro entrepreneurs. It is desirable to analyse those problems in order to suggest suitable remedies to overcome the same.

Entrepreneurship is not a 'bed of roses' to the women. Their tasks became more tedious and full of challenges, since they have to encounter public prejudices and criticisms. Women face certain problems not as an entrepreneur but as a woman. Therefore as compared to men, the problems of women entrepreneur are more in number. In this chapter an attempt is made to list out these problems on the belief that the concerned authorities would take the required steps to solve these problems in time.

Under the Kudumbashree mission, the women who set up group micro enterprises are mainly new comers in this area. As it is disclosed from the survey that majority of micro entrepreneurs are middle-aged housewives. They have to face many problems while running the enterprise. It has also been noticed from the study that there are dropouts from the group. The dropouts from the group may be because of the problems they face. The main problems faced by women micro entrepreneurs were classified as under. Table 6.1 reveals the major problems.

Table 6.1

Major problems faced by women micro entrepreneurs

No.	Problems	Significance in percentage	Rank
1	Financial problems	36.23	1
2	Marketing problems	27.12	2
3	Socio-personal problems	20.34	3
4	Managerial/Administrative problems	8.26	4
5	Production problems	6.57	5
6	Miscellaneous problems	1.48	6
	Total	100	

Source: Survey data

- 1 Financial problems- The most important problem seems to be that of financial problem from the survey. Out of 472 women micro entrepreneurs surveyed 36.23% reported that they face financial problems, as the main constraints for the successful running of the enterprise. Finance is treated as the lifeblood of any organisation. It has to be available at the right time, in right quantity. The availability of adequate finance accelerates the success of an enterprise. The women entrepreneurs under kudumbashree mission, especially poor are facing various financial constraints at the time of starting as well as during operation of their enterprise. The important financial constraints faced by women micro entrepreneurs may be, shortage of fixed and working capital, negative attitude of banks towards them, delay in sanctioning loans, inadequate size of loan, inability of collateral securities, rigid repayment schedule, ignorance of banking procedure etc. Institutions and banks do not come forward to lend loan to women entrepreneurs who are basically housewives, with less exposure to business. Time taken by banks and financial institutions to process the loan and tight repayment schedule would affect the smooth functioning of the enterprise. Usually women do not have sufficient savings their own

to start business, they do not have collateral securities, and so they were unable to get financial assistance from the financial institutions easily. Banks also take a negative attitude while providing finance to women entrepreneurs, thinking they leave their business at any time. The banker treats the women entrepreneur as mobile citizen, whenever woman married they may move to their husband's place.

- 2 Marketing problems-Besides the financial problems the most important problem seems to be marketing constraints. Marketing problem is common to all entrepreneurs; most of them find it difficult to market their products. Since the micro enterprises run by poor folk, they do not possess the knowledge of how to market their products and whom to contact for this purpose. Along with the above marketing problems the other problems may be, heavy competition with big entrepreneurs, exploitation by middlemen and difficulty in collecting dues, inadequate sales promotion avenues, lack of export marketing support to market their products. They have to be at the mercy of middlemen who eat up a big chunk of profit. Here the middlemen try to exploit rural women entrepreneurs at both ends. They deny discount or give minimum discount in the purchase of raw materials and on the other end, try to extract maximum credit discount and commission on purchase of finished products from her.

In the days of stiff competition, huge sum of money is required for advertisement. If the product happens to be a consumer commodity then it take time to win people away from other products and make this product popular. A tendency is always there to question the quality of the products produced by rural women entrepreneur though many agree that rural women entrepreneurs are more sincere in maintaining the quality. The geographical coverage of market is another factor, which restricts the marketing of products. Establishment of shops and showrooms is a costly affair, due to social environment prevalent they are unable to move freely to distant places to mobilize either resources

or markets. Hence they are forced not to increase the production in a large scale. Out of the selected women entrepreneurs 27.12% admitted that they have marketing problems.

3. Socio- personal problems-Most of the women are facing the problem of wrong attitude of the society against them. In a male dominated society, women are encountered with many socio personal problems, such as lack of family and community support, lack of education and information, economic backwardness, lack of risk bearing capacity, lack of confidence, dual role of women in the society and household, problems of public relations, lack of economic freedom, fear of social security etc.

When woman wants to emerge as an entrepreneur, she has to discharge the household duties first and then to run the enterprise. The dual role makes, to devote less time for work. They feel frustrated because they need to spare their energy both towards business as well as family affairs. The male members of the family find fault with women entrepreneurs and reluctance to extend co-operation. Among the selected women micro entrepreneurs 20.34% reported that they are facing these socio-personal problems.

4. Managerial/Administrative problems-The next important problem faced by the women micro entrepreneurs is the managerial/administrative problem. Even though the enterprise is micro in nature there may be many administrative problems, such as non co operation of some of the members (groupsim), decisions taken by the Convener without discussing with the members, partiality in profit sharing, not discussing account and financial matters in the meetings, superiority complex of convener etc. Out of 472 respondents 8.26% admitted they are facing such problems.
5. Production problems-These problems are encountered by the women micro entrepreneurs during production process. Production related problems may be, inadequate availability of land, plots, and

premises, problem of getting required inputs, Inadequate technical support of production, lack of infrastructural facilities, poor inventory management etc. The women micro entrepreneurs undertake different types of activities facing these production problems.6.57% of respondents reported that they have problems related to production out of the total number surveyed.

6. Miscellaneous problems-The miscellaneous group includes problems like, inadequate government assistance, red-tapism at various levels, poor recognition by the society, frequent political interference etc. Only 1.48% of the total respondents reported they are facing such problems.

Conclusion

It is hoped that the government of kerala through Kudumbashree mission come forward to solve the problems faced by the women micro entrepreneurs.

SUMMARY, FINDINGS, CONCLUSIONS AND SUGGESTIONS

Sreedharan. T. K “A study of micro enterprises under self help groups , with special reference to Kudumbashree mission Kerala ” Thesis. Department of Commerce and Management Studies , University of Calicut, 2006

CHAPTER 7

SUMMARY, FINDINGS, CONCLUSIONS AND SUGGESTIONS

Since a long term various governmental departments have been implementing different schemes with a view to eradicate poverty both in rural and urban segments, it is proved that the positive outcomes of such schemes were not yet benefited the deserving beneficiaries. In this context, micro finance has emerged as a need based programme to cater to the interests of the so far neglected group. Micro finance programmes have in the recent past become one of the more useful ways to use scarce development funds to achieve the objective of poverty alleviation. Micro finance services through self-Help groups have become a ladder for the poor to take them up.

Promotion of micro enterprise under self-help groups of women is considered as a means of poverty alleviation and empowerment of rural population. A new wave of enterprises, funded through micro finance, has pushed the state of Kerala ahead, in grass root level development activities in the country. The formation of self help groups of women was a turning point in the concepts and practice of women development in Kerala. Although Kerala accounts for just about 3.5 percent of the population in the country, more than 11 percent of its people, mainly women are the members of neighbourhood and other Self Help groups.

In Kerala the Kudumbashree mission a process-oriented project has been implemented which lays great emphasis on the qualitative and socio economic development of women. The mission took active role for the formation of micro enterprises in Kerala through the network of community development societies and Self Help groups with the objective of attaining social and economic empowerment of the marginalized especially women. In this study the growth and pattern of Kudumbashree mission and the various aspects of micro enterprises

under kudumbashree mission Kerala.were studied. The following were the objectives set up.

- 1 To study the pattern and growth of Kudumbashree mission Kerala.
- 2 To assess the socio, economic profiles of women micro entrepreneurs under Kudumbashree mission.
- 3 To examine the perceptions of women micro entrepreneurs regarding, motivations, reasons for selection of particular activity, and the role of Kudumbashree mission for their micro enterprise development.
- 4 To study about the dropouts from the groups, district wise, place of domicile wise, education wise and nature of activity wise.
- 5 To study the extent of social empowerment to women micro entrepreneurs through micro enterprise
- 6 To study the extent of economic empowerment to women micro entrepreneurs through micro enterprise.
- 7 To examine and analyse the problems faced by women micro entrepreneurs.
- 8 To make suitable suggestions and recommendations on the basis of the findings of the study.

On the basis of the above objectives the following hypothesis have been formulated and tested.

- 1) The motivational factors of women micro entrepreneurs are independent of district, place of domicile, nature of activity .age and educational level of women micro entrepreneurs.
- 2) Micro enterprises development donot leads to social empowerment to women micro entrepreneurs.
- 3) The extent of social empowerment of micro entrepreneurs is independent of, district, place of domicile, marital status, education and nature of activity of them.

- 4) Micro enterprise development donot leads to economic empowerment to women micro entrepreneurs.
- 5) The extent of economic empowerment is independent of districts, place of domicile and nature of activity of them.

For the purpose of the study 472 respondents from 118 group micro enterprises in three districts of Kerala were selected. The Districts selected were Kozhikode from North Kerala; Allappuzha from South Kerala and the district Malappuram purposefully since it is the district where the operations of Kudumbashree Mission has a long history as CBNP. The whole data were analysed district wise, place of domicile wise and nature of activity wise. It is also analysed age wise, education wise, and marital status wise in appropriate cases. The study has been designed as descriptive one based on both secondary and primary data, and it is presented in seven chapters. In the first chapter, an attempt is made to survey the literature available, on women micro enterprises, micro finance, self-help groups and social and economic empowerment and motivations along with the objective and scope of the study. The second chapter deals with a theoretical overview on micro finance, self help groups and micro enterprises.

Chapter three deals with the pattern and growth of Kudumbashree mission Kerala over the years. It highlights the growth of the mission in terms of its coverage through out Kerala, number of self-help groups formed, thrift and credit operations, bank linkage, and the growth of micro enterprises under the mission.

- The operations of the Kudumbashree mission are conducting in a well-structured manner. At the inception the operations of Kudumbashree mission were confined to urban areas and few selected panchayaths in Kerala, in the year 2002,the operations of the mission have been universalized all over Kerala. Over the period from 1999 to 2005, number of self help groups formed under Kudumbashree mission rose from 7265 to 154699 which records a impressive growth rate of 2029% over the 7 years, covering 31,89216 families in Kerala The

spontaneous growth is recorded after 2002. The thrift and credit operations which is the core area of mission functioning, it is seen that the thrift amount has rose from 3.47 crores from 1999 to 537 crores in the year 2005 which shows a growth rate of 153.47% and credit from 2.35 crores in 1999 to 1190.72 crores in 2005 showing a growth rate of 507.2%, which is a clear proof of the success of the involvement of the mission in the development of women folk. The number of SHGs linked through the mission under shg-bank linkage programme rose from 21149 from 2003 to 61623 in 2005, showing a growth rate of 99.9% and the amount of loan disbursed under shg-bank linkage programme rose from 635.47 millions from 2003 to 2587.55 millions in 2005 showing a growth rate of 307.2%. The available data on micro enterprises set up under the mission in the year 2006, shows that there are 20645 group micro enterprises and 28864 individual micro enterprises both in rural and urban areas in Kerala under the Kudumbashree mission even though large number of them set up very recently.

- The analysis of primary data is done in chapter five and six. The distribution of sample and their perceptions regarding motivation, reasons for selecting particular activity, role of kudumbashree mission for their micro enterprise development and dropouts from the group are dealt in chapter five. The sample consists of 472 women micro entrepreneurs, 160 from Kozhikode, 160 from Malappuram and 152 from Allappuzha. The place of domicile wise sample consists of 292 from rural and 180 from urban areas. The nature of activity wise sample consists of, 108 samples in food, 88 from hotel, 88 from service, 132 from production, and 56 samples from 'other' category. The sample was analysed on the basis of age, education, religion, community, marital status, prior occupation, year of joining SHG, year of starting micro enterprise, source and amount of investment, bank linked with, training etc.
- More than 70% of the sample belonged to the age group.30-50 and it is seen that age of the women micro entrepreneurs influence the

nature of activity undertaken by them. Youngsters prefer innovative type of activities and old age women prefer conventional type activities. More than 43% of women micro entrepreneurs have secondary level education, and 15 % having above secondary level education. The study shows that there is an association between level of education of micro entrepreneurs and nature of activity undertaken by them. Women from all the three major religions, Hindu, Muslims and Christians are included in the sample but the representation of Muslims and Christians are very low and, among the sample more than 73% are from backward community but the representation of SC/ST category is poor, the analysis also shows that more than 75% are married.

- The analysis also shows that 76% of the samples have no occupation before setting up of micro enterprise, they were housewives and 64% of them living in nuclear families. 58% of them from the family having, size less than 5'. More than 52% of the head of the family are having secondary level education.
- It is seen that 59% of the sample became members of self-help groups after the year 2002. The operations of the kudumbashree mission in rural areas were universalized in 2002, it is reflected from the analysis that more than 82% of the rural samples became members of self help groups after 2002. The analysis also shows that more than 81% of the sample became members of the micro enterprise group and commenced group based micro enterprise after 2002, in rural areas 97% of them set up micro enterprise after the year 2002 and more than 83% of the group consists of ten members.
- Regarding help from family/relatives more than 64% of women micro entrepreneurs responded that they get help and nearly 72% of them reported they get help from husbands.
- As regards the source of investment for their micro enterprise, more than 76% availed bank loan plus subsidy element, 13% uses thrift and subsidy. This shows bank linkage is in a major source and 57% of

then were linked with commercial banks for getting loan. It is also seen that in urban areas 93% were linked with commercial banks. More than 43% reported that the group investment ranges from 1 lakh to 2 lakhs and only 4% availed loan amount above 2 lakhs. Nature of activity wise analysis shows that 16% of service units availed a loan amount of more than 2 lakhs. 71% of the respondents prefer group instead of individual loan arrangements. Analysis of the relationship between the extent of borrowing and the nature of activity it is seen that nature of micro enterprise influences the level of borrowings.

- 54% of the women micro entrepreneurs responded that they got training before setting up micro enterprise unit. 72% of trained were set up service units and 16% of them set up hotel units, indicate that training facilities have contributed for the setting up of innovative type of activities. The lack of training facilities is clearly reflected in the case of women micro entrepreneurs with only 47% of sample attended for training programme after setting up the enterprise.
- More than 55% of sample spend less than 8 hours per day in the unit, nature of product wise analysis of time spending shows that 82% of sample of hotel units spend 8-12 per day and 7% of sample of "other" units spend even more than 12 hours. 54% of the sample had reported moderate level of satisfaction from their activity, in case of sample from production units more than 25% had the feeling of low level satisfaction. As regards the need of male help for proper functioning 30% of the sample had the opinion that male help is not at all necessary and 16% reported that it is certainly to have male help. Even though many of the developmental programmes are experiencing high level of political interference, it is a good sign that no political interference is clearly reflected in the case of women micro enterprises under kudumbashree mission, with 87% never experienced any sort of political interference.

- The analysis of factors motivated the women to be a member in the group to set up micro enterprise, shows that 63% of the samples were motivated by compulsion factors, and 31% were motivated by ambition factors. It is seen that 62% above educated and 50% of below 30 age group were motivated by ambition factors, The study also shows that there is significant difference as regards motivational factors of women, district wise, place of domicile wise, educational wise and age wise.
- As regards reasons for selecting a particular activity, 46% of the sample responded that the reason behind the selection of the nature of activity by advise by resource person and others, marketing opportunities as reported by 24% of sample. Availability of raw materials has been reported by only 3% of the samples. The analysis also shows that there is significant difference as regards reasons for selection of activity, district wise, place of domicile wise and nature of activity undertaken by women micro entrepreneurs.
- The role of Kudumbashree mission in micro enterprise development is reflected in the case of women micro entrepreneurs, with 52% of them responded that the mission arranges the financial requirements, 12% reported product selection, but only 8% reported that marketing support. It is seen that some sort of help is provided by the Kudumbashree mission for their micro enterprises. It is reported that financial support is highest in the case of hotel units, training support is highest in food units and marketing support is highest in the case of service units.
- As regards dropouts from the group, which may be due to various reasons, the analysis shows that the average dropouts from the group is 19.19%, and the district Malappuram tops with 23.49%, the study also shows that percentage dropouts are highest in urban areas. Educational wise dropout rate is highest in the case of low educated groups, and nature of activity wise dropout rate is highest in the case of service units. The drop out rate highest in case of service units may

be because, the unmarried groups are mainly occupied in these units, and so after marriage they may quit.

- The extent of social and economic empowerment is analysed in chapter six. The extent of social empowerment is analysed, district wise, place of domicile wise, nature of activity wise, education wise and marital status wise, with the help of Likert scale and the mean scores computed. The mean score below 33.33% is considered as low level between 33.33% and 66.67% is considered as moderate level, and more than 66.67% is considered as high level of social empowerment. Based on the analysis, women micro enterprises possess a moderate level of social empowerment. As a result the study reject the Null hypothesis that micro enterprise development do not leads to social empowerment.
- The study also proved that there is significance difference in the extent of social empowerment, district wise, and place of domicile wise, nature of activity wise, education wise and marital status wise .As a result the study rejects the null hypothesis that the extent of social empowerment is independent of district, place of domicile, nature of activity, educational level, and marital status of women micro entrepreneurs.
- Based on the analysis, the women micro entrepreneurs possess a low level of economic empowerment since the mean income is Rs 1083.35, which is below than the minimum income targeted by the Kudumbashree mission. As a result the study accepts the null hypothesis that micro enterprise development do not leads to economic empowerment. The study proved that there is no significant difference district wise, as regards the extent of economic empowerment, and there is significant difference place of domicile wise and nature of activity wise as regards the extent of economic empowerment As a result the study accepts the null hypothesis that extent of economic empowerment is independent of districts and reject the null hypothesis that the extent of social empowerment is

independent of place of domicile and nature of activity of the women micro entrepreneurs.

- The main problems faced by women micro entrepreneurs are analysed in the sixth chapter, which shows that lack of adequate finance is the main problem. Lack of marketing support, socio-personal constraints etc are the other main problems reported.

Out of the hypothesis formulated and tested, the following conclusions were made.

- 1 The motivational factors are not independent of districts, place of domicile, nature of activity, age and educational levels of women micro entrepreneurs.
- 2 Micro enterprise development leads to a moderate level of social empowerment to ~~women~~ micro entrepreneurs.
- 3 The extent of social empowerment is not independent of, districts, place of domicile, nature of activity, education and marital status of women micro entrepreneurs.
- 3 Micro enterprises do not leads of economic empowerment to women micro entrepreneurs.
- 4 The extent of economic empowerment is independent, district wise.
- 5 The extent of economic empowerment is not independent of, place of domicile and the nature of activity undertaken by women micro entrepreneurs.

Suggestions

Following are the important suggestions and recommendation based on the findings of the study.

- A special package is to be established for creating awareness about the micro enterprises and imparting training programmes to

women groups at block level to promote women micro entrepreneurship.

- It is recommended that the products produced by kudumbashree units should be given a priority while inviting tenders by local authorities and semi government organizations. This will ensure ready marketability of the products.
- A single window system i.e. convergence of all programmes intended to women development, is necessary to build confidence and to motivate women micro entrepreneurs to go for innovative programmes and modify policies and programmes of micro enterprises and support institutions in order to improve the business environment.
- As the participation of members belonging to SC/ST categories are few as per the findings of the study a special scheme under the auspicious of SC/ST coporation to attract the members into micro enterprises, seems to be the most urgent step to be taken.
- The approach of financial institutions should be more positive and policies must be liberal to promote women micro entrepreneurship.
- A common facility center under the mission is necessary to supply raw materials and to undertake marketing of finished goods. This center can identify the product currently on demand and should facilitate a quality control system to help women micro entrepreneurs to face competition.
- Co-operative marketing strategies should be evolved among various units to mitigate the hardships in the marketing of products.
- Showrooms and sales counters should be opened in market places and the products be sold through PDS system at concessional rates.
- For viable and sustainable development of micro enterprises, group enterprises must be encouraged and the group must be

homogenous which may help to reduce the dropouts from the group

- The size of the groups must be small, which will help the functioning of the group activities smoothly.
- Women entrepreneurs should get the benefits of the present developments in Information Technology so that it can be utilised for passing timely and urgent information about processes, products and marketing strategies etc, there are chances for women in this area also.
- Priority should be given to micro enterprises while fixing the budget allocation by local self- governments.
- The nature of activity and the products should be so designed based on locally available resources, which suits the local skills, and market conditions.
- To ensure successful functioning of the group constant vigilance on the part of mission is needed. They should monitor the progress of the units, identify the problems and suggest remedial measures with the help of experts in this area.
- The community organizers, voluntary organisations and the local self governments should take keen interest in the activity undertaken by the women groups so that they gain confidence.
- There must be an attitudinal change towards the consumption of products produced by the Kudumbashree mission units. In a consumer state like Kerala, this will help to the growth of tiny units in our neighbourhoods, which will make economic and social empowerment of women and prosperity to their family.

Conclusion

The study corroborates that the kudumbashree mission is one of the most effective schemes for the upliftment of rural masses especially women micro entrepreneurs of Kerala. If the suggestions are properly implemented by the agencies concerned, will definitely improve the standard of living of rural population of Kerala.

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APPENDIX - I

A STUDY OF MICRO ENTERPRISES UNDER SELF HELP GROUPS, WITH SPECIAL REFERENCE TO KUDUMBASREE MISSION, KERALA

INTERVIEW SCHEDULE (Beneficiary level)

 Identification Code

 District

Section A

1. Age: Below 30 30 - 40 40 - 50 Above 50
2. Education: Only literate Primary Secondary Above Secondary
3. Religion : Hindu Muslim Christian
4. Caste : Forward Backward SC/ST
5. Marital Status : Married Unmarried Widow Divorced
6. Prior occupation: House wife Agricultural Labourer Wage Employee
7. Nature of Family Joint Nuclear Single
8. Number of members in family
9. Education status of husband/parent: Primary Secondary
Above secondary
10. Place of residence: Urban Rural
11. Year of joining of SHG
12. Year of commencement income generating activity
13. Type of Unit: Food processing Hotel/Catering Production
Service Others
14. Nature of Unit: Individual Group
If group : a) Number of members in the beginning
b) Number of members at present
15. Are you receiving any support from your family members? Yes No
a) If yes, from whom: Husband Parents Relatives
Husbands & Parents Husbands and Relatives Parents & Relatives
16. Reasons for selecting the particular activity (Rank)

1.	Availability of raw materials	
2.	Low cost technology	
3.	Prior Experience	
4.	Low capital Investment	
5.	Market opportunities	
6.	Advice by the resource persons	
7.	Any other (please specify)	

17. In what way Kudumbasree mission helpful for your micro enterprise developments. (Put Ranks)

	Ranks
1. Supervision	
2. Escort service	
3. Product Selection	
4. Marketing	
5. Arrange Finance	
6. Training	

18. Training

1. Basic Training if any before starting the unit: Yes No
2. Training if any after starting the unit Yes No
3. Number of training programme attended One Two
Three and above
19. Source of Investment Thrift Own Fund Bank Subsidy
20. Name of the bank linked with: Commercial Bank RRB Co.op. Bank
21. Amount of loan from bank: Below 50,000 50,000-1,00,000
1,00,000 – 2,00,000 Above 2,00,000
22. Total Investment:

	Below 50000	50000- 100000	100000- 200000	above 200000
Thrift + Subsidy				
Bank loan + subsidy				
Thrift + Bank loan +Subsidy				

23. Average Monthly Income from the Enterprise
Below 500 500 – 1000 1000 – 1500 1500-2000 above 2000
24. What type of loan arrangement your prefer?
Individual loan Group loan
25. What is your opinion about male dependence for your work;
Certainly Not necessary Not at all necessary
26. Time spend per day for enterprise. Less than 8 hrs 8-12 hrs
above 12
27. Level of Employment satisfaction: Poor Medium High
28. Whether you experience any political interference.
Sure Some extent Never No response
29. How many members in a group you prefer.
Upto 5 Upto 10 Above 10
30. From the following which factor motivate you more for starting Micro Enterprise.

Motivation Factors	Rank
1. Ambition Factors	
2. Compulsion factors	
3. Encouraging factors	

Section B

31. Social Empowerment

State your degree of agreement or disagreement to the following statements (SD = Strongly Disagree, D = Disagree, N = No response, A = Agree, SA = Strongly Agree).

		SD	D	N	A	SA
(A)	Decision Making Role					
1.	I have an equal decision making role within the family					
2.	I believe that my job contributes to my importance in the family					
3.	My choice is always accepted by family members					

4.	My husband's contribution to family is less since I am earning					
5.	My earnings reduce violence in my family					
6.	There is positive change in the attitude of my husband					
B)	Social Status					
7.	The present job has increased my self dependence					
8.	Employment has secured me the respect on my husband's family					
9.	Employment has secured me the respect outside the family					
10.	I always spend without permission of my husband					
11.	We consume better quality goods than before					
12.	We go for cinema every month					
13.	Husband help me in household work					
C)	Mobility					
14.	I can travel alone anywhere without fear					
15.	I can travel alone without permission of my husband					
16.	I always go alone in offices/training programmes/medical centres					
17.	I always travel for marketing without the help of anybody.					
D)	Participation of Social Development					
18.	I always go with the group for meeting/functions etc.					
19.	I attend all the grama sabha meetings					
20.	I participate in procession/meeting etc.					
21.	I always visit family/relatives and neighbourhood.					
E)	Group Solidarity					
22.	I have a feeling of security within the group					
23.	I have the feeling that the risk is shared equally					
24.	We always discuss all matters freely					
25.	We are very co-operative					
26.	There is mutual trust and respect among the team members					
27.	There is care, concern and helping attitude among the members					
28.	My opinion is seriously taken by the team members					

F)	Communication Skills					
29.	I am confident that I can speak in meeting					
30.	I can go to the bank and open an account					
31.	Communication mechanisms helps me to solve problems					
32.	I stand and raise question in the meeting					
G)	Awareness					
33.	I am aware of the health problems					
34.	I am aware of the need for sanitation					
35.	I am aware of all legal rights					
36.	I read newspapers daily					
37.	I frequently go to school where my children studying and talk to the teachers					
38.	My advice is always accepted by my children					
H)	Leadership					
39.	I am ready to take any official post					
40.	I do things that are risky					
41.	I am proud what I am					
42.	I always encourage the team members					
43.	I listen patiently to different opinion					
44.	I give directions to the members of my group					
45.	I can lead the group					
46.	I get involved in discussion before taking important decisions					
47.	I acquired the style through training					

Section C

32. Out of these problems rank the major problems faced by you (Give Rank 1 for the main problems, Rank 2 next to the main problem, so on)

1. Socio Personal problems	
2. Marketing Problems	
3. Production Problems	
4. Financial problems	
5. Management Problems	
6. Miscellaneous problems	

33. Give your own suggestion to solve the problems

- 1.
- 2.
- 3.

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