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## WOMEN ENTREPRENEURSHIP DEVELOPMENT THROUGH POVERTY ALLEVIATION SCHEMES: A CASE STUDY

### Article Particulars

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### Abstract

*Employment generation through micro enterprises is a sustainable livelihood strategy under kudumbashree in Kerala. Owner, manager and employee concept is envisaged. It opens up economic opportunities to women through entrepreneurship by providing support in starting, strengthening and expanding their enterprises. The present study is an attempt to find out the factors influencing the total revenue of women oriented micro enterprises. A regression analysis has been carried out. The study finds that category of micro enterprises, employment generated in man days, loan repayment and total cost are highly significant. All the determinants except seasonality of micro enterprise have a positive coefficient implying positive impact on total revenue generated*

**Keywords:** kudumbashree, micro enterprise, entrepreneurship

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Entrepreneurship development among women is an effective way to tackle the problem of unemployment. ILO has identified investing in women as one of the important means of achieving equality and promoting inclusive and sustainable economic growth. Kerala kudumbashree is an attempt in this direction. It allows women to "contribute to and benefit from growth." Kerala kudumbashree which was started in 1998 as 'a ten year programme aimed at poverty alleviation through women empowerment, has now become a world model.

Women face wide range of biases in society. Poor access to formal financial system is the most significant among them. They are considered as unbankable because of lack of collateral security. Capital is the main constraint faced by women. Kudumbashree is a credit plus programme. It provides credit at affordable cost along with productive employment opportunities and capacity building. Kudumbashree schemes are demand oriented.

Kudumbashree micro enterprises have twin objectives -- employment generation and Local Economic Development (LED) through promoting local production, and local consumption to boost economic activity within the local areas. They provide technical as well as technological support to "the economically active poor." At the district level micro enterprises are coordinated by the Micro enterprise consultants.

They provide guidance to the enterprises right from the initial stage itself. To promote micro enterprises they provide revolving fund, technological fund, crisis management fund and second dose assistance to the units.

M.A.Oommen, (2007) in his working paper *Micro finance and poverty alleviation: the case of Kerala's kudumbashree*, identifies Kudumbashree as a micro finance institution with a radical difference from its counterparts in the rest of the world. Even while acknowledging the various shortcomings, CDS as a community based organisation holds out tremendous potential for enlarging freedoms, and enhancing and widening the capabilities and choices of poor women in the state. Nehajoan Panacka in his article "Kudumbashree and Women Empowerment in Kerala – an overview and theoretical framework," finds that there is a positive impact on social and family empowerment after becoming a part of SHGs. SHG has helped in getting capital. The women who were associated with the SHG's have started their new business with the help of the loans and training which they had received from the SHG's. More entrepreneurship initiatives were taken for women to be self-sufficient to start their business and become entrepreneurs. Women Entrepreneurship and asset creation is the most important variable and the major cause for joining Self-help groups as this helps in Socio Economic upliftment, empowerment supported by Micro credit and good banking habits. Reachability and Accessibility to SHG and community development appeared to be the second important variable. This in turn helps to support and build self-employment, income and volatility and education (2017). Taramol K.G. s' article on *Eradication of Poverty and Women Empowerment – A study of Kudumbashree Projects in Ernakulum District of Kerala, India* aims to investigate the various programmes that were introduced in order to enhance and empower the women from the below poverty line of Ernakulum District of Kerala state. The finding reveals that income and employment possibilities are the major factors that attracted them towards joining KME. Kudumbashree views micro enterprise development as an opportunity by providing gainful employment to the people below poverty line and thereby improving their income and living standards. The various other factors that encouraged the beneficiaries to enter into entrepreneurial activities are their previous experiences, possibilities of employment opportunities for their family members, easy availability of ample raw materials, low capital requirements and market potential of the products (2014).

### **Significance of the Study**

Though Kerala has the highest female literacy, it is not reflected in their work participation rate. Capital may be an important constraint. Kudumbashree provides the economically active poor a household for tapping their resources by providing credit and supporting services to the unbankable community. Kudumbashree through its micro enterprises, utilizes the local resources to the maximum extent by providing

productive employment opportunities to the economically active poor. At the all Kerala level there are 31261 micro enterprise units. OME concept is envisaged in this model (owner, manager and employee).

### Objectives of the study

To find out the factors influencing the total revenue of women oriented micro enterprises.in the study area.

### Methodology

The present study focuses on micro enterprises in Pathanamthitta district which is an industrially backward one. Both primary and secondary data have been used for the study. Primary data have been collected from those units which have 3 years of experience and still existing have been taken up for the study. Out of the total 31261 units (at Kerala level) 8.4% units are in the Pathanamthitta unit. The nutrimix units of Pathanamthitta bagged the best unit award for micro enterprises. The study focuses on group units only. 15% of the total group units have been taken up randomly for the study. So the sample size is 145 units. The units consist of food products, apparel and accessories, handmade toiletries, handicraft craft and catering services (based on the classification of kudumbashree) 5% of each unit has been taken randomly for the study.

### Socio-Economic Profile of the Respondents

**Table 1 Age wise distribution of respondents**

Age	Number of Members
18-30	168
30-45	293
45 above	124
<b>Total</b>	<b>585</b>

**Source:** Primary Data

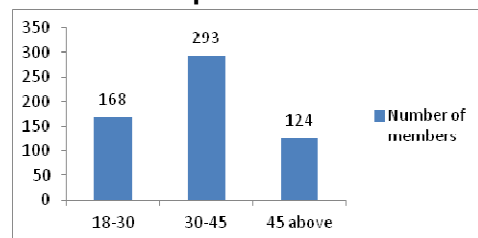
Table 1 shows the age wise distribution of members in the units. The number of members in each unit varies between 5-10. 50.08% of total members belong to the age group 30-45.

**Table 2 Educational Qualifications of the Respondents**

Educational Attainment	Number of Members
SSLC	330
Below Degree	213
Degree	39
Above degree	3
<b>Total</b>	<b>585</b>

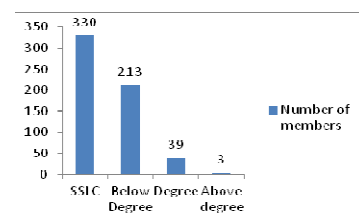
**Source:** Primary Data

**Figure 1 Age wise Distribution of Respondents**



**Source:** Primary Data

**Figure 2 Educational Qualification of the Respondents**



**Source:** Primary Data

Table 2 depicts educational qualification of respondents .56.41% have educational qualification below SSLC .Only 0.5% have educational qualification above degree.

**Economic Status**

BPL	518
APL	67
<b>Total</b>	<b>585</b>
<b>Source:</b> Primary Data	

Economic status of members shows that 88.54% belong to the BPL category. A regression model has been used to analyse the factors that affect the total revenue of micro enterprises. Here total revenue is the dependent variable. The independent variables taken are activity of micro enterprises, category of micro enterprises, employment generation in mandays, loan repayment, number of members in the micro enterprises, seasonality of micro enterprises and total cost.

The regression model can be specified as

$$\gamma_i = \beta_0 + \beta_1 X_{ji} + \beta_2 X_{2i} + \dots + \beta_k X_{ki} + U_i$$

Where  $\gamma_i$  is the total revenue generated of  $i^{th}$  micro enterprise and  $X_{2i} X_{2i} \dots X_{ki}$  are the independent variables values corresponding to the  $i^{th}$  micro enterprises.  $U_i$  is the uncertainty factors pertained to the  $i^{th}$  micro enterprise. Pearson Correlation and significance of dependent and independent variables shows that the correlation between total revenue and loan repayment is highly significant (0.000) with correlation coefficient (0.706). The correlation between total revenue and number of members is significant (0.00) with correlation coefficient 90.556) and the correlation between total revenue and total cost is also significant (0.000) with correlation coefficient (0.950).

Model summary

R	R square	Adjusted R square	Std error of the estimate	Change stables				Sg F change	Duration
				R Square change	F change	df1	df2		
0.957	0.915	0.911	76,735.29775	0.915	211.714	7	137	0.000	1.805

a. Predictors: (Constant), Total Cost, Seasonality of microenterprise, Activity of Microenterprise, Category of Microenterprise, Number of Members, Employment Generated in Man days, Loan Repayment

b. Dependent Variable: Total Revenue

Unstandardized Coefficients and Standardized Coefficients for determinants and their t values and significance are given in Table 3.

**Table 3 Coefficients for the Independent Variables (Predictors)**

Determinants	Unstandardized Coefficients		Standardized Coefficients	t value	Significance
	B	Std. Error	Beta		
(Constant)	-222,567.35	50,763.09		-4.384	0.000
Activity of Microenterprise	1,167.73	3,223.88	0.009	0.362	0.718
Category of Microenterprise	10,896.99	3,973.09	0.087	2.743	0.007

Employment Generated in Man days	306.63	138.78	0.081	2.209	0.029
Loan Repayment	1.063	0.527	0.094	2.019	0.045
Number of Members	1,191.63	2,939.24	0.016	0.405	0.686
Seasonality of microenterprise	-7,549.225	32,485.162	-0.008	-0.232	0.817
Total Cost	1.568	0.098	0.862	15.940	0.000

The independent variables such as category of micro enterprises, employment generated in man days, loan repayment and total cost are highly significant. All the determinants except seasonality of micro enterprise have a positive coefficient implying positive impact on total revenue generated. The fitted regression model is significant  $F = 211.714$ ,  $p$  value = 0.000, df. (7,137) The value of adjusted R squared implies that 91% variation in total revenue is explained by the model. The variables which were statistically significant in the model to predict the performance of enterprises are discussed below.

1. Category of micro enterprises: It is statistically significant at 1% level. When category changes from manufacturing to non-manufacturing total revenue increases by .087.
2. Employment generated in mandays. It is statistically at 5% level. A unit of increase in the number of employees in the enterprise increases in the total revenue by 0.081 units.
3. Loan repayment : It is statistically significant at 5% level. A unit of improvement in loan repayment implies 0.094 units increase in total revenue.

**Total cost:** It is highly significant at 1% level. A unit increase in total cost creates 0.862 units increase in total revenue.

## Conclusion

The present study shows how far kudumbshree is successful in penetrating into an industrially backward district through mobilizing its unutilized resources through capacity building and group cohesion. Their prompt loan repayment and employment generation is a clear sign of their success.

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