CHAPTER - 01

Introduction
1.1. INTRODUCTION

Poverty is a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life in a sustained manner. When a substantial segment of a society is deprived of the minimum level of living and continues at a bare subsistence level, that society is said to be plagued with mass poverty. Poverty is a vicious cycle. Planning Commission used different scales to measure poverty in different times. As per uniform recall period (URP-using 30 days data for all items) 28.3% of rural population and 25.7% of urban population was below poverty line in 2009-10. The corresponding figures obtained from MRP (Mixed Recall Period) was 21.8% in rural areas, 21.7% in urban areas and 21.8% as a whole. While on income basis, poverty in India is 30%, i.e. in terms of Capability Poverty Measurement (CPM), as per under UNDP 2004 report, called HDR including health, nutrition, literacy etc., with income and food, states them to number of these capacity derived poor go up to 61.5%.

Women and girls constitute three-fifths of the India’s poor. Their poverty level is worse than that of men as clear gender disparities in education, employment opportunities and decision making power exist. Women and poor women in particular are the most vulnerable segments of developing societies. This is because men have been considered in these societies to be the income earners, while women’s work has been confined to the household. Women are thus invisible and unremunerated for their household work. When, due to economic pressures, women have been forced to go out to work, it has given rise to multiple burdens on women of household work, children’s welfare and wage earning. The multiple burdens have resulted in women making the adjustments, at great cost to their own health and well-being.

While women have increasingly become important economically to the household and have been recognized to be contributors to the household economy, they lose the most when economic forces negatively affect livelihoods. They and their children, suffer the effects of dislocation and loss of income due to forces that they do not understand or have control over. Further, their economic lives have been mainly subsistence-oriented—to fulfill basic needs. They have not received their share of education, training, health and livelihood opportunities consistent with their potential, which will enable them to deal with crises and shocks or improve their well-being. This is true of India as of other developing countries.
To respond to the needs of women to materialize their economic potential and thereby to improve their standard of living, it is necessary to design programmes by applying a mainstreaming strategy. This requires devising measures to integrate women as decision-makers, participants and beneficiaries in all relevant development activities, irrespective of the sector or type of activity. It is also necessary to address the totality of problems women face as entrepreneurs, due to the wide spectrum of elements affecting the equitable participation of women in development. A plan or strategy must be designed and implemented in close collaboration with various development partners in different specialized areas, notably: education, health, human rights as well as environment and energy.

The status of women in India has been undergoing a sea-change. Supported by Constitutional guarantees to ensure dignity and equal opportunities, their active participation in all walks of life including education, politics, sport etc., has been growing. Taking note of women's role in the nation-building activities, the Government had declared 2001 as the year of Women’s Empowerment by adopting a National Policy to offer “Swashakti” to women. Several laws have also been adopted to empower women socially, economically, legally and politically. The non-farm economy plays an important role for wealth creation and well-being across countries. For example, small households with fewer than 0.5 hectares earn over half of their total income from non-farm sources. The composition is generally one-third manufacturing, one-third commerce and services with mining and construction accounting for the rest. A large number of women are mainly engaged in subsistence agriculture as well as in micro and small-scale enterprises (MSE). In the MSE sector worldwide, women make up one-quarter to one-third of the total business population and in manufacturing they constitute one-third of the global labour force.

Women all over India are taking active interest in earning their own living and in most cases supplementing and supporting their spouses financially for a better livelihood. What began as a Micro Cottage Industry movement is taking new dimensions in women entrepreneurship in both Rural and Urban India. The Indian Govt. is also taking definitive steps through various projects in helping women from different walks of life and exhaustive socio-economic backgrounds into being self-sufficient through micro and small scale entrepreneurship.
According to Census-2011, India has reached the population of 1210 million, as against 301 million in 1951, of which 58,64,69,174 (48.5%) were females. The population of India accounted for 17.5% of the total world population and occupied second place. The sex ratio was 930 in 1971 and it has increased to 940 according to 2011 Census. The female literacy also increased from 18.3% in 1961 to 74.0% in 2011 and a decrease in male-female literacy gap from 26.6% in 1981 to 16.7% in 2011. Globalisation and entrepreneurship are bringing new opportunities and challenges for women in the business world today. Though big corporations continue to be ruled by men, women are entering the new millennium by conquering the world markets through small and medium sized firms, being both their founders and managers. Nations have not relented in their efforts to make impressive and commendable efforts in the domain of female entrepreneurship.

Alleviation of poverty, if not complete eradication, has been the declared goal of India. As per the Tendulkar’s Report of Poverty estimation, 2004-05, 31.8% of poor people are living in urban areas whereas 50.1% of rural population is poor. There has been a sustained effort through the five year plans to provide some relief to the urban poor. National commission on Urbanization has attempted a classification of poverty alleviation programmes implemented in India, as follows-

- Shelter and physical environment related programmes
- Nutrition supplement programmes including public distribution
- Employment generation programmes
- Programme for the development of citizen’s participation and development of institutional capacities of the service agencies.

Lack of capital followed by institutional credit has been considered as one of the major constraints to the poor to come out of the vicious circle of poverty, after the failure of agriculture based livelihood. Even after 50 years of independence there is no proper banking system to meet the credit needs of the poor. At the government level attempts like introduction of cooperatives followed by nationalization of commercial banks and opening up of regional rural banks were made with a view to reach the benefits of institutional credit to the poor. Providing affordable credit to the poor has been recognized as a prime component of development strategy from a long time. Many schemes and resources have thus been devoted to the provision of credit targeted at the
poor. Such credit is provided on subsidized terms. In order to give a new approach to poverty eradication or livelihood financing, the NABARD had introduced the “Self Help Group” in 1992, which is generally treated as finance to a tiny group. This approach, in other words, is called “Micro Finance”, which is a recent buzzword for all the livelihood programs lunched so far.

1.2. SCOPE AND BACKGROUND OF THE STUDY

Poverty in India has been a part of the policy debate right from the First Plan Period with the primary focus being on agriculture and rural development. Urban development was tackled through a focus on industry. While social services such as health and education provided for the urban population, there remained a concerted focus on rural India in the Five Year Plans; urban poverty was not recognized as a concern in the initial plan periods. The change towards an urban focus is seen from the VII Plan Period onwards (1985-1990) with attention to infrastructure, environmental improvement (slum upgrading) and livelihood promotion. Subsequent plans have steadily increased the allocation for urban development and urban poverty alleviation. Most significant is the recent emphasis on urban renewal evidenced through the allocation under JNNURM in the 10th Five Year plan which has continued since then. Although budgetary allocations for urban development have risen substantially, these do not compare with the allocation for schemes and interventions for rural India. The per capita expenditure on the urban sector at Rs. 1,566.00 is significantly lower than the per capita expenditure in the rural sector, which is Rs. 7,433.00 for the current plan period (Shukla, 2011). UNDP’s “India: Urban Poverty Report 2009” has some interesting pointers, especially important in view of the critical role of urban areas in economic development and the growing concerns about increasing poverty in urban centers, "urbanization of poverty", as people migrate to cities in search of livelihood opportunities. It is also a re-affirmation of the economic value of rural to urban migration, despite the concerns among policy makers about such migration.

India is a part of the global trends where an increasing number of people live in urban areas. The number of towns and the absolute urban population in India has

increased steadily over the last 60 years (Table 1.01). More significant for policy formulation is the share of urban population to total population, which has grown from 17.3 per cent in 1951 to 31.16 per cent in 2011. Varying projections place urban population at about 590 million – 600 million in 2030. It estimates that India will have 41% (or 575 m) of its people living in cities by 2030, up from the present level of 286 million and 28%. With cities contributing over 62% of GDP, the importance of urbanization cannot be under-played. An NSSO survey reports that there are over 80 million poor people living in the cities and towns of the country, of which it is estimated that in 2020, 161.80 million lived in slums. In 2020 an estimated 28.7% of the urban population was living in slums.

Table 1.01: Decadal Urban Population Growth in India (Census of India)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population (in crores)</th>
<th>No. of Towns/ UAs</th>
<th>Urban Population (in crores)</th>
<th>Share of Urban Population to Total Population (%)</th>
<th>Decadal Growth of Urban Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>36.11</td>
<td>2,843</td>
<td>6.24</td>
<td>17.3</td>
<td>41.4</td>
</tr>
<tr>
<td>1961</td>
<td>43.92</td>
<td>2,365</td>
<td>7.89</td>
<td>18.0</td>
<td>26.4</td>
</tr>
<tr>
<td>1971</td>
<td>54.81</td>
<td>2,590</td>
<td>10.91</td>
<td>19.9</td>
<td>38.2</td>
</tr>
<tr>
<td>1981</td>
<td>68.33</td>
<td>3,378</td>
<td>15.95</td>
<td>23.3</td>
<td>46.1</td>
</tr>
<tr>
<td>1991</td>
<td>84.63</td>
<td>3,768</td>
<td>21.76</td>
<td>25.7</td>
<td>36.4</td>
</tr>
<tr>
<td>2001</td>
<td>102.86</td>
<td>5,161</td>
<td>28.61</td>
<td>27.8</td>
<td>31.3</td>
</tr>
<tr>
<td>2011*</td>
<td>121.02</td>
<td>7,935</td>
<td>37.71</td>
<td>31.16</td>
<td>31.8</td>
</tr>
</tbody>
</table>

*Data from provisional tables released by Census of India, 2011 (RGI 20113).

Urban poverty in India is large and widespread. In 2004-05, 80.8 million people out of an estimated urban population of 309.5 million person were below the poverty line whose per month consumption less than Rs.538.60 was. These numbers constitute a significant proportion of the world’s total urban poor estimated at 291.4 million. Over the past three decades (1973-2004), the numbers of the urban poor have risen by 34.4 per cent and the shares of the urban poor in the total from 18.7 per cent in 1973 to 26.8 per cent in 2004-05. In comparison the numbers of the rural poor have registered a 15.5 per cent decline over this period. In addition, about 40-45 million persons are on the border

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line of poverty. This process has meant increasing share of the urban poor in the total. Some of the notable observations by the Planning Commission, Gol are as follows:

1. Poverty levels in small size towns are high, in the middle size towns poverty levels are lower and is the lowest for large towns, thereby lending credence to theories that the metros and mega towns have been the engines of growth in recent years. It finds that the infrastructure facilities, quality of employment, productivity and returns to education are likely to be better in large cities than in small towns. And these in turn help these cities enter a cycle of positive feedback, where growth feeds more growth.

### Table 1.02: No. of persons below the poverty line in urban and rural areas (in lakh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-74</td>
<td>600.46</td>
<td>2612.90</td>
<td>3213.36</td>
</tr>
<tr>
<td>1983</td>
<td>709.40</td>
<td>2519.57</td>
<td>3070.49</td>
</tr>
<tr>
<td>1999-2000</td>
<td>763.37</td>
<td>2440.31</td>
<td>3203.68</td>
</tr>
<tr>
<td>2004-05</td>
<td>807.96</td>
<td>2209.24</td>
<td>3017.20</td>
</tr>
</tbody>
</table>

Sources: Planning Commission, 2008: 4074.

2. There is a rising trend found during the period 1999-2000 and 2006-07 in the small and medium towns which may be attributed to various factors like failure of crops and agriculture, disintegration of joint families, migration of people from rural areas to urban areas, lack of livelihood opportunities in the rural areas, depletion of natural resources like water bodies, forests etc. (Table - 1.02)

### Table 1.03: Headcount ratio of persons living below the poverty line in urban & rural areas (in lakh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-74</td>
<td>49.0</td>
<td>56.4</td>
<td>54.9</td>
</tr>
<tr>
<td>1983</td>
<td>40.8</td>
<td>45.7</td>
<td>44.5</td>
</tr>
<tr>
<td>1999-2000</td>
<td>32.4</td>
<td>37.3</td>
<td>36.0</td>
</tr>
<tr>
<td>2004-05</td>
<td>25.7</td>
<td>28.3</td>
<td>27.5</td>
</tr>
</tbody>
</table>


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3. Though the urban poor (anyone living on less than 20 rupees a day) accounted for 25.7% of the country's total urban population in 2004-05 compared with 49.01% in 1973-74, in absolute numbers it grew from 60 million to 81 million during the period. The rate of overall decline in poverty slowed from 0.82 percentage points per year from 1973-74 to 1983-84, to 0.61% points from 1993-94 to 2004-05.

4. Urban casual informal workers have been left behind in grabbing the growing urban employment opportunities as they don't have adequate education and skills. The self-employed workers face specific problems of access to credit, markets and space and also incur various "hidden costs". The self-employed among the urban workers have shown higher poverty rates than the salaried but much lower than the casual workers.

5. The profile of the unorganized sector, while shrinking, has shifted from "casual employment (which is paid on a regular basis) to self-employment (which carries its own uncertainties)". This findings squares up with the concerns raised by people like IMF's Martin Ravallion, who while arguing that urbanization is a generally positive factor in overall poverty reduction, had cautioned that poor are urbanizing faster than the population as a whole, thereby reflecting in a slower pace of poverty reduction in urban areas.

Urban poverty imposes considerable negative externalities on the society and economy. The urban poverty poses the problems of housing and shelter, water, sanitation, health, education, social security, and livelihoods along with special needs of vulnerable groups like women, children and aged people. Over-crowded slums, without access to the basic civic amenities and social welfare nets, and with constant uncertainty associated with evictions and loss of livelihoods, imposes considerable drags on the productivity and opportunities available to its residents besides constraining economic growth. It also fuels social evils like drugs and crime. The lower levels of informal or traditional support structures in urban locations for most poor households, the excessive monetization in urban areas as opposed to rural areas, magnifies the extent of these problems. Thus, urban poverty leads to (Gol, 2006):

5Government of India (Gol), Standing Committee on Urban Development. 2006. *Fifteenth Report of the Standing Committee on Urban Development, Fourteenth LokSabha, Ministry of Urban Employment*
(a) proliferation of slums and bustees;
(b) fast growth of the informal sector;
(c) increasing casualization of labour;
(d) increasing pressure on civic services;
(e) increasing educational deprivation and health contingencies.

1.2.1. Government Sponsored Poverty Eradication Programme

Poverty reduction is an important goal of the urban policy. It is necessary to view urban poverty as distinct from rural poverty and not as mere transfer of rural poverty into urban areas. The Ministry of HUPA, GoI currently runs various major programmes that are targeted towards urban poverty reduction and improving the access of the poor to basic services and sustainable livelihood. These include the Nehru Rozgar Yojana (NRY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY); Sub-mission II on Basic Services to the Urban Poor (BSUP) under Jawaharlal Nehru National Urban Renewal Mission (JNNURM); Integrated Housing and Slum Development Programme (IHSDP); and the Rajiv Awas Yojana (RAY). The success story of these programmes depends on two notions – micro-finance and micro-enterprises. All the livelihood development programmes are based on providing a financial or capital base through micro-financing and group financing services to the underprivileged to develop their income and ultimately eradicating poverty.

1.2.2. Economic Status of Women and MFIs

Women are minorities who are critically affected when formal financial services to the underprivileged fail. It should precipitate various ranges of informal, society dependent economic arrangements to counter such pressing financial situations (Duranni et al, 2011, Abiola and Salami, 2011, Garry et al, 2013). Hence, in the last few years,
rising amount of the formal sector organizations (non-public, public and the private) have been established with the aim of meeting those obligations (Brau and Woller, 2004). Such phenomena lead to growth of micro-enterprise financing universally as informal and formal arrangements offering financial services to the poor in the community. Concept of micro-enterprise funding has been observed by various stakeholders. Nonetheless, this seems to be in the shadows as a result that the well-organized financial systems predate them (Anderson et al, 2010, Altay, 2007, Garry et al, 2012). A serious global effort was only seen in the last four decades to formalize financial service provision to the poor with particular focus on women. This process began in earnest around the early to mid-1980s and has since generated aggressive force. Currently, numerous numbers of micro financing institutions (MFIs) providing financial services directly and indirectly to an estimated 100 - 200 million of the world’s poor exist, so as the livelihood developmental schemes or programs by the developing and developed countries. This system of enterprise financing began as grass-roots movement encouraged mostly by a development paradigm. With time, it is emerging into a universal sector informed increasingly by an economic mechanism. The evolution of the micro-enterprise finance sector represents a substantial achievement taken within historical dimension (Christen et al., 1995, Bruton et al., 2011). It has overturned established ideas of the poor as consumers of financial services, shattered stereotypes of the poor as not bankable, spawned a variety of lending approaches showing that it is possible to provide cost-effective monetary services to the poor, (DFID, 2008; Sinclair, 2012).

15 DFID (Department for International Development), The Road to Prosperity through Growth, Jobs and Skills, (Discussion Paper, 2008). Dhaka, Bangladesh: DFID Bangladesh.
Targeting most of the livelihood development programs in India at poor women is with the aim of providing access to financial services. Suitable programs can have a strong, positive impact on women's empowerment and women entrepreneurship. It could achieve this by giving women more chance about owning more assets, giving a more active role in family decisions, and increasing investment for the future of family well-being (Srinivasan 201017, Dos Santos, 200818, Khavul et al, 201319).

Grameen Bank, is a replica which widely demonstrates that small loans to the disadvantaged women in the society can be a success story. It liberates the poor women to earn their way out of poverty. Some researchers believe that some of the benefits of MF reached the disadvantaged classes in the society by developing micro-entrepreneurship (Mair, 201220, Duvendack and Palmer-Jones, 201221) although some school of thought argue otherwise. (Mustafa and Saat, 201222, Eissa, 201323, Cramer et al, 200824, Arunachalam, 201125).

In its infancy, microfinance through the ULPs had a diversified growth and multiplicity of impacts, namely income, employment, health, education, housing and sanitation. The program is pivotal. It changes the process of development particularly when subsidy and grant based schemes were losing their importance. Yunus26 explained that the Grameen Bank methodology was almost the reverse of the conventional banking approach. Conventional banking was based on the principle that the more you have, the

18 P. Dos Santos, The World Bank, the IFC and the Antecedents of the Financial Crisis, Bretton Woods Project Update, November 27th, 2008.
As a result, more than half of the population of the world was deprived of financial services of the conventional banks. Conventional banking was based on collateral, focused on men, located in urban centers and owned by the rich, with the objective of profit maximization. Contrast this with microfinance programs. The Grameen Bank started with the belief that credit should be accepted as a human right, where one who did not possess anything gets the highest priority in getting one. Grameen Bank methodology was not based on the material possession but on the potential of a person. Grameen Bank, which was owned by women, had the objective of bringing financial services to the very poor, particularly women to help them fight poverty, gain self-esteem and empowerment, as well as stay profitable and financially sound through entrepreneurship (Sarkar, 2008).

In India, microfinance seems to provide answers to problems and failure of its banking system in providing lending scheme to the less privileged in the community (Sheokand, 2000, Kumar et al, 2010, Imai et al, 2010). The government sponsored livelihood development programs based on this principles had occupied much of the economic space but did achieve the objective of alleviating poverty through developing entrepreneurship amongst the deprived class, especially women (Chandarsekar and Prakash, 2010). It was an organized set up to provide micro-credit to the urban women on the strength of the savings without insisting on any collateral security for the purpose of encouraging them to enter into entrepreneurial activities and for making them enterprisingly risk-takers.

1.2.3. Urban Livelihood Development Programme and Microfinance

Urban Livelihood Development Programmes (ULPs) basing on microfinance, the concept of providing small capital to the under-privileged in the society, precipitates and

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boosts entrepreneurship among communities in developing nations. In addition, these schemes are often viewed as an effective poverty alleviation intervention, with a positive impact on economic growth and a number of social development indicators. Microfinance, which is increasingly viewed as the miracle cure for poverty among women, is the process of making available financial services to the previously underserved group of low income households (Swain and Liljefrost, 2005)\textsuperscript{33}.

Urban Livelihood Development Programmes has been proven effective in fighting poverty by providing entrepreneurs with the necessary capital to start and expand their entrepreneurial activities, which is associated with a positive impact on social and human development. Impact assessments have found positive changes in micro enterprise output, assets, employment and income, and leads to development of entrepreneurship among the most vulnerable classes of the society, the women. In addition to these effects on the entrepreneurial activity of the poor women, ULP is being attributed with positive effects on issues such as household income, savings, children's education, health and nutrition, and women's empowerment (Bruton et al, 2010)\textsuperscript{34}.

Urban Livelihood Development Programmes (ULPs) have focused on lowering poverty especially for women by developing business acumen and entrepreneurship, and determines an individual's ability to make use of different financial solutions. The microfinance system is especially beneficial for women, resulting in increased income that will help women perform their role as brokers of health, nutritional, and educational status of other household members, increasing women's employment in micro enterprises, improving the productivity of women's income-generating activities, and enhancing their self-confidence and status within the family, and finally the entrepreneurship. Hence, they serve as independent roles such as producers and providers of valuable cash resource to the household economy (Anderson et al, 2010)\textsuperscript{35}.

Microcredit helps poor women in three ways. First, as independent sources of income outside home, that reduces economic dependency of the women on husbands and


\textsuperscript{34} D. G. Bruton, D. Ahlstrom and H. Li, (ed) Institutional theory and entrepreneurship: where are we now and where do we need to move in the future?, Entrepreneurship Theory & Practice 34 (3), 421-440, 2010.

thus helps enhance autonomy. Consequently, the same independent sources of income together with their exposure to new sets of ideas, values and social support should make these women more assertive of their rights. Finally, by providing control over material resources, it enhances the women’s prestige and status in the eyes of their husbands; thereby promoting interspersed consultation (Bateman and H. Chang, 2012)\(^\text{36}\).

Livelihood Development Program participation can exert a large positive impact on self-employment profits and that has a significant impact on the well-being of poor households. Such an impact is greater when credit is targeted to the female gender (Kistruck et al, 2011)\(^\text{37}\). Researches carried out in other countries on effect of microfinance induced livelihood developmental schemes in Bolivia\(^\text{38}\), China\(^\text{39}\), Ecuador, Ghana / South Africa\(^\text{40}\), Guatemala\(^\text{41}\), Honduras and Ecuador\(^\text{42}\), Indonesia\(^\text{43}\), Peru\(^\text{44}\), Thailand\(^\text{45}\), Zambia\(^\text{46}\), and in multiple countries differs substantially, signifying that effects are highly contextual.

Livelihood program participation had a positive impact on enterprises that were typically small, labour intensive and growing, although the impact was far from uniform across sectors and target variables. As a matter of fact, borrowers who were able to obtain two loans experienced high growth in profits and household income compared to a control sample, but borrowers who never qualified for the second loan were actually


worse off due to MFI collection mechanisms (Kevane and Wydic, 2001). Upward class structure mobility increases significantly with access to credit. Dunn identifies the better performance of program clients' enterprises compared to non-client enterprises in terms of profits, fixed assets, and employment.

1.2.4. Socio Economic Profile of Women in West Bengal

The increasing realization of the importance of women development for the overall economic development of the region necessitates attention to the facets of urbanisation at all levels of policy making. This case receives more attention in a state like West Bengal with high percentage of urban population (28.3%). The percentage of urban population in the State has always been higher than the national average, calling for a greater need to tap the benefits of urbanisation. The urban characteristics of West Bengal are marked with several unique features. High population density patterns, rich environmental endowments, strong people centric governance, long urban history, importance laid on rural areas traditionally; all these factors and many more contribute to a vivid yet challenging picture of urbanisation in West Bengal.

The total urban population in the state is distributed across 127 statutory towns and 249 census towns covering only 3% of the total land area. Across the districts, the level of urbanisation is also very uneven. Apart from North 24 Parganas (54.36%), Howrah (50.39%), Burdwan (37.18%), Hooghly (33.48%) and Darjeeling (32.44%), all the other 13 districts have urbanisation levels of less than 25%. Districts like Kochbihar, Malda, Birbhum, Bankura and Purulia have the urbanisation levels of less than 10%.

While tapping the full potential of urbanisation is a challenge in itself, the entailing problems of urbanisation are major stumbling blocks to development of the state. To be in a position to analyze and understand the system, its pros and cons, there is a need for a holistic approach which gathers a wholesome understanding of the current scenario, the factors which instrumentalised such a setting, their long term intentions and their de facto outcomes. This then paves way for strategically positioning the situation and analyzing the way forward for addressing the unwanted by-products of urbanisation.

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The rapid rise of urban poverty in the recent past has made it imperative to make concerted efforts to poverty reduction in cities. The multidimensional nature of urban poverty in West Bengal calls for a paradigm shift in the approach to its reduction e.g., from need-based approach to right-based approach, which calls for a different strategy and that can be appropriately targeted, that involve community participation and that are innovative in their design and approach while implementing the livelihood development schemes for the urban poor.

1.3. SIGNIFICANCE OF THE STUDY

The phenomenon of increased urbanization in India is facing one of its foremost challenges in the form of disparity between redistribution of economic opportunity and growth. The centre of poverty is gradually shifting towards urban centres and this situation is further worsened by already high population densities, poor infrastructure and a general lack of effective housing policy and provisioning for the poor. The Census of India 2011 suggests that 66% of all statutory towns in India have slums, with 17.4% of total urban households currently residing. A large proportion of households who are living in similar or poorer dwelling conditions than those living in slums have been omitted from the mainstream of the development and are way apart from the sustainable livelihood⁴⁹.

As the world moves into the year 2020, there will be more number of people living in urban areas than rural areas. In fact, the 20th century witnessed a rapid growth in urban population. The next few decades will see unprecedented scale of urban growth in the developing world including those in Asia and Africa continents. The urban population in these two continents will double in a period of 30 years. Asia has been witnessing the triple dynamics of growth, rapid urbanisation and growing poverty. While many Asian countries witnessed higher economic growth, the growth pattern brought about enormous disparities across and within nations. India has shared the growth pattern and rapid urbanisation with some of the fastest growing regions in Asia. The Country has witnessed around 8% growth in GDP in the last couple of years and has planned to achieve a target of over 9% growth by the end of 11th plan period. India’s urban population is also increasing at a faster rate than its total population. With over 575

million people, India will have 41% percent of its population living in cities and towns by 2030 AD from the present level of 286 million and 28%. Economic development and urbanisation are closely linked. In India, cities contribute over 55% to country’s GDP and urbanisation has been recognised as an important component of economic growth. With India becoming increasingly globalized and urban, there is also an increase in the number of poor people living here. As per the latest NSSO survey reports there are over 80 million poor people living in the cities and towns of India. The Slum population is also increasing and as per TCPO estimates 2001, over 61.80 million people were living in slums. It is interesting to note that the ratio of urban poverty in some of the larger states is higher than that of rural poverty leading to the phenomenon of ‘Urbanisation of Poverty’.

Urban poverty poses the problems of housing and shelter, water, sanitation, health, education, social security and livelihoods along with special needs of vulnerable groups like women, children and aged people. Poor people live in slums which are overcrowded, often polluted and lack basic civic amenities like clean drinking water, sanitation and health facilities. Most of them are involved in informal sector activities where there is constant threat of eviction, removal, confiscation of goods and almost non-existent social security cover. With growing poverty and slums, Indian cities have been grappling with the challenges of making the cities sustainable i.e. inclusive, productive, efficient and manageable. The sustainability of urban development in India is seen in the context of shelter and slums, Basic urban services, Financing urban development and Governance and Planning. India has entered the Eleventh Plan period with an impressive record of economic growth. However, the incidence of decline of urban poverty has not accelerated with GDP growth. In fact, urban poverty will become a major challenge for policymakers in our country as the urban population in the country is growing, so is urban poverty. Therefore, a need has arisen to develop new poverty reduction tools and approaches to attack the multi-dimensional issues of urban poverty. For this, policymakers at the national and local levels should have a good understanding of the nature of urban poverty as well as accurate data on various issues relating to it, in order to develop programme/policies to manage urban poverty in a systematic manner.

There are various Dimensions of urban poverty that affect the urban women. Women constitute a larger set with their own characteristics that require further explorations. However, it is clear that the single women, unmarried, divorces/separated
and widowed are more vulnerable among the female households. More importantly, other dimensions over and above income and consumption requirements can be instrumental in identifying urban poverty. Women’s employment is increasing over time. Unless this accompanies betterment in their human capital endowments, labour market participation is likely to be unprotected and extremely vulnerable. Lower human capital endowments, in terms of the differentials in educational access and attainments across income categories has direct implications for the nature of labour market participation made feasible and the returns earned by the poor women in most cases. Women’s concentration in certain jobs/tasks, the wages received and insights from the literature on the barriers for entry into certain newly opening employment avenues for women will be elucidated. Given the significance of women’s labour based economic contributions to the households among the poor, improvements or reflecting on aspects concerning their educational and skill development gain tremendous importance for poverty amelioration. Other issues that need focus are related to at least two broad heads: firstly, improving the access and availability of basic amenities and public provisioning related to water, fuel, toilets and sanitation, electricity and so on, in order to improve the conditions of living and well-being for poor women and secondly, addressing factors involving external environment such as shelter spaces, transport, overall security levels and so on that can improve the standards of living for poor women and also facilitate their participation in the urban labour market. Given the lower levels of support structures in urban locations for most poor households, the excessive monetization in urban areas as opposed to rural areas, implications for poor households food security, access to health care, especially child care, and creditworthiness or asset ownership all get linked to the extent of women’s earning capacities and productivity as well.

Interventions should be targeted at all these urban settlements since the quality of life and infrastructure in these informal settlements are susceptible to a sustainable livelihood. The women and particularly the destitute women are the most vulnerable strata among these excluded masses from the mainstream of development. The primary reason for looking at this particular strata is to that the women, who normally form the poorest strata of the urban population, do contribute to the household economy to a significant extent. For greater comprehension, this study attempts to discover the role of women micro-entrepreneur population of West Bengal Urban areas as a productive agent in urban economy, which is in contrast to the general notion that this section of population is “burden to the city.” In addition, the study also captures the perceptions of
non-informal settlement households regarding the role of the urban livelihood development programmes (ULPs) in shaping the women entrepreneurship in the state of West Bengal in the road of growth and development and in turn provide a sustainable livelihood to the women. This statistical analysis provides an understanding of the impact of the ULPs on this section of population in the urban centres.

Internationally, participation of women in the household livelihood stay behind in the two decades from 1990 to 2010. The changes have occurred in participation of women but in the micro-entrepreneurial sector, but still women continue to accept most of the responsibilities for the home, In whole world, women use up at least twice as much time as men on not paid household work. Lack of access to and control over resources limits women to take part in economic sovereignty (United Nations, New York, 2010). The Economic Survey of India 2010-11 shows that disparity in the job market is a major hurdle in economic development of India. Women constitute nearly 50 per cent of this population. About 12.05 million women labour forces are estimated as unemployed in 2009-10, with an unemployment rate of 18.6%. In spite of the fact that India is the third main country in the world with respect to the labour force size but in case of women’s access to paid service other then the agriculture sector, circumstances are worst in contrast with other states of Asia and the Pacific region (Ray and Adnan, 2011). Promoting women entrepreneurship requires more concentration to be focused upon problems that hamper women entrepreneur. Studies on women-owned businesses have added energy in current years with a lot of scholars deal with a range of areas of knowledge that have facilitated an improved understanding of the numerous dimensions of women’s entrepreneurship. There are different underlying principle for supporting women’s self-employment and entrepreneurship. The “growth approach” highlights women as an untouched source of growth for the economy. The ‘job creation’ grounds links the support to women’s entrepreneurship to broader strategies to fight unemployment. The “poverty alleviation” rationale emphasizes self-employment as an economic survival tool for poor women and their families. Women entrepreneurs have

been recognized as providers of social upgrading, promoting economic regeneration and
growth and job creation (Bushell, 2008)\textsuperscript{54}. Women’s entrepreneurship requires to be
studied disjointedly for two major reasons, the first reason is that women’s
entrepreneurship has been acknowledged in last decade as an important untapped source
of economic growth. Women entrepreneurs create new jobs for themselves and others.
Women’s participation in economic expansion has been recognized as very important for
a country, particularly their participation in the area of entrepreneurship\textsuperscript{55}.

Entrepreneurship as the central force for economic change requires more women
to be involved in its operations. Women empowerment encourages the trend of women
entrepreneurship in the region. Similarly, women while following the regional trend also
started developing their own business ventures in search for better control over their
personal lives\textsuperscript{56}. In most of the developing countries the word self-employment and
entrepreneurship is used as synonym\textsuperscript{57}. Information on gender issues will help in the
implementation of supportive practices and programmers for monitoring and evaluating
the challenges facing women entrepreneurs in developing economies. Entrepreneurial
Business is the one that is owned and managed by a women and/or more than one family
member while citing the work of Maritz, (2004) defined the concept of entrepreneurs and
states that entrepreneurs are people who habitually create and develop new ventures of
value around perceived opportunities\textsuperscript{58}.

Women’s entrepreneurship needs to be studied separately for two main reasons.
The first reason is that women’s entrepreneurship has been recognised during the last
decade as an important untapped source of economic growth. Women entrepreneurs
create new jobs for themselves and others and by being different also provide society
with different solutions to management, organisation and business problems as well as to

\textsuperscript{54} Bushell, B., 2008. Women Entrepreneurs In Nepal: What Prevents Them From Leading The Sector? 
Gender & Development, pp: 549-564.

\textsuperscript{55}Singh, G. and R. Belwal, 2008. Entrepreneurship and SMEs in Ethiopia. Gender in Management: An

\textsuperscript{56}Kumari, S., V. Kaushik and N. Lodha, 2010. Problems Faced By Rural Women Entrepreneurs of

\textsuperscript{57} Harris, M.L., 2004. The Types of Problems Encountered By Small Business Owners That Receive 
Counseling from Small Business Centers Selected Business Characteristics: A Regional Analysis. 
North Carolina: Department Of Adult and Community College Education. And The Relationship 
between These Problems and Selected Business Characteristics: A Regional Analysis. North 
Carolina: Department Of Adult and Community College Education.'

Urban Regions: A Case Study. International Journal of Research in Commerce, Economics and 
the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women’s possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilised. While without a doubt the economic impact of women is substantial, we still lack a reliable picture describing in detail that specific impact. Recent efforts initiated by the OECD (1997, 2000) are responses to this lack of knowledge and have focused the attention of policy makers and researchers on this important topic.

The second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The industries (primarily retail, education and other service industries) chosen by women are often perceived as being less important to economic development and growth than high technology and manufacturing. Furthermore, mainstream research, policies and programmes tend to be “men streamed” and too often do not take into account the specific needs of women entrepreneurs and would-be women entrepreneurs. As a consequence, equal opportunity between men and women from the perspective of entrepreneurship is still not a reality. In order for policy makers to address the situation the report makes a number of recommendations.

In order to realise the benefits of policy changes it is important to incorporate a women entrepreneurial dimension in considering all SMEs and growth policies (e.g. meeting women’s financing needs at all stages of the business continuum; take-up of business development and support services; access to corporate, government and international markets; technology access and utilisation; R&D and innovation; etc.). Moreover this means periodically evaluating the impact of these measures on the success of women-owned businesses and exchanging good models and best practices, through cooperation with leading international organisations such as the OECD, European Union, APEC, UNCTAD and the ILO, in order to continually improve policies and programmes.
Better qualitative information and quantitative data and statistics are required to profile women entrepreneurs (demographic information, barriers to start-up and growth). This would also assist in promoting awareness of the role of women entrepreneurs in the economy. Using a frame of reference such as that developed in the report could be valuable for the analysis of this information.

It is observed that women entrepreneur networks are major sources of knowledge about women’s entrepreneurship and they are increasingly recognised as a valuable tool for its development and promotion. Policy makers must foster the networking of associations and encourage co-operation and partnerships among national and international networks and facilitate entrepreneurial endeavours by women in the economy.

Women’s entrepreneurship is both about women’s position in society and the role of entrepreneurship in the same society. Women are faced with specific obstacles (such as family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Also, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employed women.

1.4. OBJECTIVES OF THE STUDY

With above backdrop, through the present research, an attempt has been made to analyse the process of sustainability and development of women entrepreneurship in consonance with the implementation of urban livelihood development programmes (ULPs) in the state of West Bengal. This study analysed the role of urban livelihood programmes (ULPs) in developing the women entrepreneurship in sub urban areas of West Bengal. The specific objectives of the study are as follows:

1. To analyse the socio-economic profile of the micro women entrepreneurship in the sub-urban areas of South and North 24 Parganas Districts of West Bengal;
2. To measure the financial and operational efficiency of the women entrepreneurs using varying parameters;
3. To measure the financial and operational parameter of the micro enterprises;
4. To trace out the effectiveness of the urban livelihood programmes (ULPs) and the extent to which such plans and programmes helped in developing micro entrepreneurship among the women; and

5. To suggest some appropriate measures to improve upon the efficiency and effectiveness of livelihood development programmes in the light of sustainable development of micro women entrepreneurship.

1.5. METHODOLOGY

As the present study is based on primary as well as secondary data. The primary data has to be collected from the women micro-entrepreneurs engaged in different activities in the urban areas of West Bengal after a preliminary survey combined with pilot testing. For the purpose of primary data collection, two districts namely, North 24 Parganas and South 24 Parganas have been taken into consideration. These two districts were selected keeping in view of their geographical existence, growth ratio, urban centers, poverty dominance, and unutilized human resources.

1.5.1. Target Group:

The target groups of this study were:

- Women entrepreneurs engaged in small and micro scale enterprises who are the beneficiaries of various Urban Livelihood Development Programs;
- Service related forward and backward linkages of entrepreneurs; and
- Trader entrepreneurs involved in the production-cum-sale.
- Philanthropic masses, Government and NGO officials associated with the Urban Livelihood Development Programs.

1.5.2. Questionnaire Design:

The research design phase of the present study had called for preliminary field research at each study site to develop a better understanding of the local context, refine the set of hypotheses, select the most relevant impact variables, and pilot test to draft a set of questionnaire. Preliminary fieldwork included:

- Discussion with selected key members of micro enterprises (financial and non-financial),
Face to face interaction on the research design framework and methodology with the research staff of GOs and NGOs involved in this intervention,

Interviews of local practitioners about current socioeconomic trends,

Field visits to interview the women micro entrepreneurs,

Collection and review of relevant socioeconomic literature on microenterprises and its impact on socio-economic development of the poor women

Toward the end of the preliminary field research, a draft questionnaire was formulated and pilot tested. The draft questionnaire was based on a format that had been developed and tested previously for the AIMS study, assessing the Impacts of Microenterprise Services (AIMS) Project as part of the Microenterprise Innovation Project. The AIMS core impact assessments, or CIA, are methodologically rigorous, longitudinal impact studies of three microenterprise support programs: SEWA Bank in India, Mibanco in Peru, and Zambuko Trust in Zimbabwe. For most of the common questions, context-specific data categories and context-specific questions were added to the questionnaire. These modifications grew out of a series of interviews with GO and NGO research staff.

1.5.3. Sample Design:

A panel of 160 women entrepreneurs were covered under the present research policy (being 45% of the questionnaire served) from whom information had been solicited, after testing reliability and validity of the data collected. The Universe consists of women entrepreneurs who must be a beneficiary of ULPs and started their enterprise before 2009 in the study area. Those 160 sample women entrepreneurs, have been engaged in the MEs from the universe consisting of the women beneficiaries covered under the various urban livelihood programmes (ULPs). Total no. of women beneficiaries found in the Govt. records fulfilling above criteria was 778. The Sample size is 20% of the universe. Purposefully random sampling technique was used to select the samples.

1.5.4. Selection of Study Area:

For the present study the North and South 24 Parganas districts of West Bengal were purposefully selected. The causes for selection of these two districts are - the North 24 Parganas is urban dominated as 42.41% of population but in contrast the South 24 Parganas is village dominated as 74.39% of the population are rural dwellers. Sex ratio is
949 and 937 for North and South 24 Parganas District respectively whereas decadal
growth rate is 24.64 and 23.82, and population density is 2500 and 820 per sq.km
respectively.

1.5.5. Sample Selection:

The present study explicitly considers the ways in which the urban livelihood
development programmes may impact on women entrepreneurship in the urban areas of
West Bengal in different levels, viz., at the levels of households, enterprises, and
individuals. A simplistic approach would regard credit as beneficial because it leads to
higher revenue, profit and asset building in a particular microenterprise, which also
raises household income, employment opportunities and diversification of income; and
thus confers a variety of other benefits; and ultimately develop the spirit of
entrepreneurship among the clients. The household economic portfolio model suggests,
however, that impacts can be far more widespread. One of the most important uses of
urban livelihood development programmes and its credit is to help members deal with –
shocks– unanticipated expenditure needs or disruptions in the income flow. Savings are
another important way of dealing with this kind of difficulty, and also generate funds that
can be used to attain the other ends for which households sometimes borrow. Since all
entrepreneurs are producers or service providers as well, we hypothesize that there will
be greater impact on those who borrow, produce, market as well as save.

1.5.6. Quantitative Data Analysis:

Analysis of the data for both rounds of the survey followed the core AIMS data
analysis plan. This called for a set of descriptive tables for data from Rounds I and II,
plus two types of statistical analysis - gain score analysis and ANOVA. In addition, other
forms of cross-section and longitudinal analyses were carried out. The quantitative
analysis tested the core hypotheses about impact of urban livelihood development
programmes on the women entrepreneurship which is reflected through various variables
at the household, enterprise, and individual levels. For each of these hypotheses, some
impact variables were defined. The most potent statistical test undertaken, the analysis of
variation (ANOVA) took into account the possibility that the relationship might be
influenced by other factors, known as moderating variables.
1.5.7. Hypothesis:

The impact hypotheses posit that participation in urban livelihood development programmes leads to impacts on women entrepreneurship positively. Within each of these levels, a number of possible impacts are hypothesized. The two core impact hypotheses are listed below.

1. Urban Livelihood Programs (ULPs) have a positive impact at the enterprise level.
   Factor -1. an increase in microenterprise revenue or income;
   Factor -2. an increase in microenterprise profit;
   Factor -3. an increase in enterprise fixed assets;
   Factor -4. an increase in paid / unpaid employment generated by the enterprise;
   Factor -5. improvement in the transactional relationships of the enterprise,
     a) suppliers and b) customers;
   Factor – 6. an increase in the savings and decreases in loan fungibility;
   Factor – 7. an increase in production of goods and services;
   Factor – 8. an increase in loan and loan repayment; and
   Factor – 9. improvement in management of records and stock.

2. Urban Livelihood Program has a positive impact at the household and individual level.
   Factor-1. an increase in the level of household income;
   Factor -2: greater diversification in the sources of household income;
   Factor -3. an increase in household assets, including improvements in housing and major household appliances etc.;
   Factor -4. an increase in the household’s effectiveness in coping with shocks;
   Factor -5. an increase in the client’s control over resources and income; and greater influence over the household’s economic decisions;
   Factor -6. increased self-esteem and respect from others; and
   Factor -7. a better position from which to deal with the future through more proactive behaviour and increased confidence.

The data interrelationships by capturing the differences in change categories based on various feature variables will be tabulated and analyzed by using various advanced statistical tool and techniques. The following statistical tools were used to map the pattern of changes and draw a cohesive conclusion from the emerging pattern of changes in the socio-economic environment.
1.6. PLAN OF THE STUDY

The present study consists of SIX chapters as described below apart from Preface, Annexure and Bibliography:

Preface

Chapter I Introduction

Chapter II Livelihood Programmes and Development of Entrepreneurship - A Theoretical Preview

Chapter III Socio-Economic Profile of the Women Entrepreneurs of Sub Urban Areas of West Bengal

Chapter IV Problems and Prospects of Women Entrepreneurship in Sub Urban Areas

Chapter V Effectiveness of the Livelihood Development Programmes and Women Entrepreneurship – An Analysis

Chapter VI Summary, Major Findings And Recommendations

Annexure

Selected Bibliographies

Appendices

The first chapter is introductory with scope, significance, objectives and hypotheses of the study. The second chapter throws light on the theoretical background of the poverty and its impact on the population, poverty reducing initiatives, sustainable livelihood, microenterprises, urban livelihood programmes and development of women entrepreneurship through review of literature including some of the studies conducted earlier at the macro and micro levels. The third chapter describes the socio-economic profile of the women entrepreneurs of sub urban areas of West Bengal. The fourth chapter contains the detail discussion about the microenterprises and their workings including the problems and prospects. The fifth chapter deals with results and discussion under broad sections: the impact of ULPs on women entrepreneurship. The sixth and final chapter summarizes the whole work and provides certain policy suggestions.

1.7. LIMITATIONS OF THE STUDY

The assumption that similar type of situation must be prevailing in all areas of West Bengal is a major handicap of the present study. The time and cost constraint is
also another hindrance for the purpose. Although all attempts have been made to overcome such, the findings cannot be universally applied and further detailed study may be undertaken before implementing the suggestions. Other limitations are -

a. The short period of research and the small sample from two districts are the inevitable shortcomings of this study. However, by taking the total number of households (160), an attempt has been made to understand the socio-economic conditions of the women entrepreneurs.

b. There are several limitations of the framework used to study the impact of ULPs on the women entrepreneurship, representing areas in which additional development is needed. First, it has been observed that some enterprises are growth-oriented, others grow little or not at all, and still others may grow to a certain point and stop. It appears that enterprise growth is not necessarily an objective for all entrepreneurs. A more detailed conceptual model is needed to explain enterprise growth and evolution in terms of household decision making and the environment in which decisions are made.

c. The lack of a control group in this study affects its ability to generate causality. To effectively assess the efficiency and impact of the program, once ME has refined their tracking system, it would be extremely valuable to develop a thorough study using an experimental design to accurately assess its impact, justify funding and potentially increase the value of ME to the local community and the state.

d. The participants in this study were highly receptive in expressing their opinions to a third party. It would be valuable to develop an annual assessment of ME services, possibly through the help of some staff from the state Department of Industries and Rural Development.

e. To ensure accurate estimates of program benefits and success, it would be advisable to measure both costs and outputs (financial and non-financial) to ensure that development funds are well spent in the future and to identify possible areas that need extra sources of funding as well as those where funds are no longer needed. Thus a cost-benefit analysis is to be done.