CHAPTER 06

Summary, Major Findings and Recommendations
6.1. 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. Alleviation of poverty, if not complete eradication, has been the declared goal of India. As of 2014, there were about 2.47 billion people in the world living in poverty with an income of US$ 2 or less a day. Out of them, more than a billion people, live in extreme poverty in India and 60% of them are women. 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.

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 small 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 such micro-credit targeted at the poor. One of the best cure for poverty alleviation lies in encouraging entrepreneurship which provides a basis for economic change through new knowledge creation and application; a shift from low to high productivity and creation and adoption of new goods & services across the household and then to society at large.

Poverty reduction is an important goal of the urban policy. 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). Long recognized as crucial to economic development, entrepreneurs are
increasingly seen as crucial for sustainable recovery. The key to the engines of growth is to have access to finance. Government has played a vital role in facilitating and encouraging entrepreneurial financing through various developmental programmes and livelihood schemes. 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 number of poverty alleviation programmes implemented in India for sustainable development of the livelihood options for the urban poor. Of late in 1990s, Urban Livelihood Development Programmes (ULPs) like SJSRY and JNNURM were floated to encourage entrepreneurship among urban poor, specially emphasizing on women and other excluded groups like SCs and STs. These urban livelihood development programmes have undertaken the following activities to develop entrepreneurship and self-employment among the poor beneficiaries:

1. Identification of beneficiaries and Awareness development
2. Project formulation, appraisal and development
3. Supportive services
   a. Financial
   b. Technical
   c. Marketing
   d. Administrative
4. Advisory Services
5. Training and Skill Development Services
6. Evaluation and Monitoring

Entrepreneurship among women is today considered to be an appropriate option for a sustainable development of household economy. Women to date represents an important engine of economic growth for developing countries as it has a leading role in generating productive work, achieving gender equality and reducing poverty. In both emerging markets and developed countries, enterprising women encounter gender-specific obstacles that cannot be easily overcome without the intervention of the public and private sectors. Their focused efforts will go a long way toward helping women revitalize our global economy. Entrepreneurs, in general, have a critical role to play in fostering innovation, which economists view as a key factor in national GDP growth. Yet, despite significant progress in some countries, like India, toward narrowing the gender gap, widespread disparities still prevailing. Women have yet to reach equality with men on such measures as educational attainment, wages, political empowerment.
and economic participation. Entrepreneurship, therefore, offers women a more viable route to income parity, which in turn decreases household poverty and, in the long run, leads to economic growth. In fact, economic analysis by the World Bank, United Nations, World Economic Forum, Goldman Sachs and other organizations show a significant statistical correlation between gender equality and countries’ economic development; World Bank Group-President Robert Zoellick has famously described gender equality as “smart economics.” Female entrepreneurship is an increasingly salient part of the economic makeup of many countries and is a key contributor to economic growth in low and middle income countries, particularly in India, Latin America and the Caribbean.

Women entrepreneurs in India have great potential to expand their businesses. Although women owned firms were the fastest-growing segment of the small-business sector, women continue to face gender-specific barriers for the start-up and growth stages of their businesses. Women’s entrepreneurship in Urban Areas of West Bengal 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 the exploitation of entrepreneurial opportunities. While without a doubt the economic impact of women is substantial, we still lack a reliable picture describing in detail that specific impact of various government developmental schemes. Efforts of this study will try to focus 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.

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, especially women, 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 increasing realisation of the importance of urban 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%).

With above backdrop, through the present research, an attempt has been made to analyse the process of sustainability and development of women entrepreneurship through the implementation of urban livelihood development programmes (ULPs) in the state of West Bengal and to suggest policy recommendations to make these income generating programmes for livelihood more sustainable and women empowerment a success. This study analysed the role of urban livelihood programmes (ULPs) in developing the entrepreneurship of urban poor women living in the South and North 24 Parganas Districts of West Bengal. The underlying objectives behind the study are:

1. To study the major features of selected livelihood programmes of Govt. of WB;
2. To analyse the socio-economic profile of the micro women entrepreneurship in the sub-urban areas of West Bengal;
3. To measure the financial and operational efficiency of the women entrepreneurs using varying parameters;
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;
5. To suggest some appropriate timely measures to improve upon the efficiency and effectiveness of livelihood development programmes in the light of sustainable development of micro women entrepreneurship.

6.2. MAJOR FINDINGS

The present study had inferred the following conclusions.

1. The ULPs had motivated 12% of the respondents to undertake entrepreneurial activities for the first time for their livelihood. The societal compulsion of
managing the family and their needs lead the urban women to become entrepreneurs. The respondents felt a lesser pull factors in comparison to the push factors. This diminutive figure is basically caused due to the lack of awareness level among the people and the overdependence on “jobs in various organisations” as a major livelihood option. Once they started their business, the ULPs guide them for lateral growth and development.

2. The skill training and potentiality developmental programmes conducted under ULPs have played the most important role in providing the basic skill and knowledge for various livelihood options and entrepreneurship know-how. The other major source of acquiring the knowledge and skill is from family members.

3. Training and skill development programmes under ULPs were undertaken in coordination with various government agencies and departments like DIC, CD Blocks, SIDBI etc. which includes skill development trainings, awareness trainings, orientation trainings, and specialized skill development trainings from time to time. But no specialised modules of training programmes is provided to the ULP clients according to varied needs, trades, gender and areas.

4. Due to sensitization efforts by the officials under ULPs, most of the entrepreneurs have entered into the business at a younger age i.e., below 30 years (65.63%). Due to active support from the government under ULPs, majority (33.13%) of the women entrepreneurs had changed their activities during the period under consideration.

5. The study further revealed that about 18% of the women entrepreneurs took full financial support from various formal sources under ULPs for setting up their business. The delay in administrative clearance, political interference, corruption, proximity of the administrative set up, apathetic attitude of the officials, gender discrimination etc. are the major cause of lacklustre response among the unemployed educated young girls to approach this source.

6. Due to active guidance, and timely advice by the officials of ULPs, reuse of the profit in business, for acquiring fixed assets, working capital and for skill development was evidenced through the study (52% of the working capital was funded from this source).

7. The study also revealed that due to timely intervention of the government employees working under ULPs, bad debt and default in loan repayment are less.
8. The marketing intervention of ULPs is very negligible which leads to the fact that maximum respondents are catering to the local markets only. Market expansion and market coverage are hampered due to lack of middlemen in these trades.

9. Due to absence of pricing models under ULPs, the women entrepreneurs adopts the “follow the leaders” pricing strategies or arbitrary pricing strategies which lead to shrinking of return.

10. The study found that the beneficiaries of the ULPs are now covered under the group insurance and micro-insurance schemes. However, the insurance program is not much successful due to lack of awareness and adoptability by the women entrepreneurs.

11. No logistic supports like shops, common facility centre, godowns etc. have also been provided by the ULP because of varied types of trades and activities.

12. Due to the expertise advice and technical support under the ULPs, the average RoI of is 18%, which is good for any small scale business organisation.

Apart from the above inferences by analysing the women entrepreneurial activities in the urban areas of the two districts North and South 24 Parganas, the performance of the enterprises under study showed a view of optimism in the poverty alleviation and livelihood development activities. The major problems, as outlined by the study, faced by these women entrepreneurs in the urban West Bengal, are:

1. Gender biasness present in family as well as in the banks, suppliers, and clients.
2. Role conflicts are the major stumbling block for development.
3. While analysing the responses, it is found that the entrepreneurs were very much annoyed with the indifferent attitude of the bank officials and sometimes the govt. officials due to gender. As opined, they have also asked to provide higher collaterals, co-signatories for loans with higher interest rates for further financial assistance.
4. Absence of necessary marketing support system by ULPs for marketing of the products, publicity and advertisement, and consumer research.
5. Majority of the workforce is either unskilled and from the family or the near vicinity who are only stop-gap arrangements to manage the growing need and demand in busy seasons. A need arises to train them effectively.
6. Rate of labour turnover is high and the competition is emerged from the ex-employees as there is no a service agreement or trade patent.
While analysing the growth and development of women entrepreneurship in the urban areas of West Bengal it is concluded that the Urban Livelihood Development Programmes in West Bengal has instrumental in development of micro women entrepreneurship. This conclusion has been substantiated through testing two core hypothesis, as stated below in the present study.

1. $H_1$: Urban Livelihood Programs (ULPs) have a positive impact at the enterprise level.

2. $H_1$: Urban Livelihood Program has a positive impact at the household and individual level.

The following interpretations are inferred from the present study:

1. The ULP has impacted positively on income / revenue of the enterprise, profit, total informal sector earnings, savings, employment generation, transactional relationships, loan fungibility, subsequent loan issues and repaying capacity, and management of records.

   a. The ANOVA and gain score analysis attributed significant positive changes in the revenues of the enterprises due to participation in the Urban Livelihood Programmes (ULPs).

   b. The study found that due to greater dependency on the entrepreneurship rather diversifying to different activities, the non-ME income is at a modest proportion of the total household income. This ultimately leads to development of the existing enterprises.

   c. During study period it is found that the microenterprises have used very little fixed capital. However, a definite positive impact of participation in ULPs on the fixed assets of MEs was observed.

   d. Borrowing through ULPs had a significant impact on employment generation for family members as well as for non-household labour, including poor neighbours (an increase of 86.86% in weekly average employment hours generated in MEs in the previous week).

   e. It is concluded that borrowing from ULPs helped to develop improved transactional relationships with the superior suppliers (wholesalers, manufacturers, and middlemen / intermediaries) rather than non-superior suppliers like individuals or households and retailers. But it is found that
they do not have a significant relationship with superior customers like retailers, wholesalers, middlemen or intermediaries, government offices, and private offices.

f. Due to the ULPs intervention the loan fungibility has been decreased and the loan used for business purposes has been increased significantly. ANOVA also indicated a significant change among the savings (an increase of nearly 7 times).

g. The analytical tests were able to establish that use of ULPs’ services leads to an increase in subsequent loan issues (49.38% increase) and repaying capacity (88.73% increase) of the entrepreneurs under study.

h. The membership of ULPs leads to a significant increase in keeping various financial and operational records.

2. The indirect outcome variables which had also been tested to analyse the impact of ULPs in the growth and development of women entrepreneurship in the study areas of West Bengal to outline the following interpretations:

a. Participation in ULPs’ financial services was positively related to growth of HH income (increase of 187.09%). Those who borrowed more times had higher average HH incomes than those who borrowed fewer times.

b. Borrowing from ULPs had increased the income from the diversified sources (more than 8 times than the round – I survey) though the income is not a significant part of the total household income.

c. It is found that repeat borrowing has raised expenditure on housing improvements (an increase of 159.56%), especially by respondents who had borrowed five or more times. The increased purchases of appliances and transport vehicles in Round II (an increase of 121.58%) were strongly associated with ULP membership. The repeat borrowing did have a significant impact also.

d. There is some indication that ULPs benefit improves a client’s ability to cope with financial crises, which are common in the environment in which ULP clients live and work, but the evidence is not robust. The current risk management instruments of these households are clearly inadequate. No amount of borrowing on unfavourable terms or insuring through reciprocal systems can compensate for the lack of access to
formal sources of insurance, mortgages, education loans, pensions, and more. As a result, many of the sample households remain in debt.

e. Although a higher percentage of borrowers consistently answered in the affirmative, none of the statistical tests performed provided a viable basis for asserting that participation in ULPs improves the clients’ perceptions of the importance of their economic contributions to their households.

f. Borrowers under ULPs were more likely prepared for the future. Actions to prepare for the future are more clearly influenced by participation.

g. In general, we found that the economic decision making by the respondents was not significantly altered due to participation in ULPs.

Conclusively, the study had pronounced empirically that the micro-women entrepreneurship has developed due to the membership of the Urban Livelihood Development Programmes (ULPs).

6.3. SUGGESTIONS AND RECOMMENDATIONS

Despite many shortcomings about the function, impact and sustainability of the urban livelihood programmes (ULPs) in urban areas of West Bengal, women entrepreneurship, have made a successful breakthrough in reaching the predefined objectives. It happened because of the easy availability of funds, appropriate market and close supervision. However, there is a long way to go. Thus, it is pertinent to further gear up the activities of the ULPs for the sake of poverty alleviation and also to deal with socio-economic issues of the urban areas. In order to improve the performance of the entrepreneurs, ULPs, microfinance institutions and microcredit for targeting the poor women in the urban areas of West Bengal, the following measures have been suggested:

6.3.1. Suggestions in General

1. Within the state socio-economic policy arena, specific target oriented ULPs for women entrepreneurship may be developed to provide some specialised impetus.

2. To establish an Inter-ministerial Coordination Focal Point to target the review of all ongoing development initiatives, identify areas of synergy, suggest necessary institutional arrangements for implementation, get studies organized, draw upon best practices and finally evolve a communication strategy to disseminate them.
3. Developing the existing client groups to be self-reliant will be more emphasized and preferred over new group creation, unless the conditions warrant otherwise.

4. Need based initiative may be developed on marketing activities across specific trades and areas.

5. To undertake regional initiatives to augment the supply of key business development services (BDS) like standardisation of finished goods, customisation, low-cost technology development, financial services, designing, and management inputs.

6. To follow an appropriate and stringent framework for monitoring & evaluation.

7. Steps taken to increase public participation; and transparency in loan sanction, disbursement and other related financial activities to reduce corruption and biasness.

8. To make intellectual property rights accessible to all which will be appropriately defined, understandable by common man and strongly enforced.

9. To simplify the system of business permits and licenses and making them affordable.

10. Necessary steps may be taken for reforming the bureaucratic processes, simplifying procedures, increasing awareness and understandability; and strengthening enforcement capabilities.

11. Developing a mechanism which provides business-related supportive information for all concern.

6.3.2. Specific Suggestions:

1. Access to Capital: In addition to the financial support extended under the ULPs to meet the further capital need the following recommendations may be introduced to address the financial constraints faced by the ULP clients so that the “access to financing” remains the overwhelming to the formation and growth of entrepreneurship among women.

   a. To undertake the role of a leader and path-finder by the Commercial banks and rural banks for providing a need based micro-finance service to the beneficiaries by filling the current financing gap which is created by the ULP financing and the requirements of the entrepreneurs;

   b. To expand the current developmental programs under ULPs to provide a specialised financial services to service-based trades, especially for women clients and prospective entrepreneurs;
c. To develop a low-interest micro-loan program for women entrepreneurs specifically based on target population and localised need;
d. To create a pilot project in commercial banks with targeted outcomes for ULP beneficiary entrepreneurs with advisory and financial services.
e. To develop a partnership with the private sector to fill the financing gap in growth and venture capital for women entrepreneurs.
f. To initiate a mentoring programs and networking through a State Level Small Business Mentorship Program in partnership with the private, not-for-profit sectors and local community.

2. Business Skills Training, Self-Employment Assistance (SEA) program and Employment Insurance: To enhance the skill and capabilities of the ULP clients and for the formation, survival and growth of the prospective entrepreneurs, the state government with association with central govt. should develop appropriate supportive and curative measures.
   a. The state government should come forward to develop an effective and flexible training infrastructure that provides equal access to all and responds to ULP beneficiaries’ unique needs and learning styles, from time to time.
   b. Personality development and confidence building should be included in business training and advisory services for ULP beneficiaries.
   c. Self-Employment Awareness and Promotional Assistance and incentives should be extended to motivate the emerging potential young masses for creation of new business ventures.
   d. The existing facilities of Employment Insurance (EI), which insuring the poor, rural populations, especially tribal communities, should be extended to the clients of ULPs to support during the start-up phase.

3. Focusing on the Service Sector: The government should review its policies of poverty eradication and livelihood development programs and gear them to better reflect the importance of the service sector in the state economy and the role of women entrepreneurs within that sector.

4. Create a Centre for Micro-Business Research: The government should create a “one-stop shopping” to provide access to all sort of specialised business information regarding the informal and tiny sectors.
5. **Marketing Support**: The following supports mechanisms should be developed to empower the ULPs to serve the women entrepreneurs better:

   a. To develop a marketing information system to undertake marketing research and marketing strategy development. Need based models and facilities can be developed to cater the needs of the ULP clients.

   b. To providing logistic supports like common facility centres, shops, transportation facilities etc.

6.4. **IMPLICATIONS OF THE STUDY**

   Though the improvements in entrepreneurship of the sample urban women because of their inclusion in the urban livelihood development programmes have not gone up generously, yet it cannot be denied that the growth of entrepreneurship is not better-off. The findings presented in this thesis clearly have implications for practitioners in the developmental initiation of the government for a poverty less state and the same has been discussed in this section.

1. This study has provided the reasons of different facets of impact of ULDPs’ financial, technical, advisory and other allied services on growth of women entrepreneurship, development of sustainable livelihood, change of life style, growth of employability, and above all psychological and decision making capabilities of the women entrepreneurship. This will helpful for the policy makers to plan, implement, administer and evaluate various state led developmental programs in future.

2. One of the major outcomes of this study is the SWOT and Viability analysis of the women entrepreneurs in the urban areas of the state of West Bengal. It will helpful for the state authorities a basic ground for development of new schemes and customization of the on-going schemes in these areas.

3. The ability, activities and success stories of the responding women entrepreneurs in our sample may be an eye-opener for the intervening agencies about the capabilities to absorb the developmental initiatives of the ULPs and a motivating factor for the women wishing to be entrepreneurs but not bold enough to be so.

4. To make the development programmes more effective to tackle the problem of poverty and destitution among poor households and to further improve their socio-economic status through a lateral growth of entrepreneurship, it is very
much required that these households are increasingly involved in the development programmes taken up in their areas. By developing a base for various interventions such as financial, technical, etc., the women entrepreneurship in urban areas of West Bengal can be developed and in turn provides a momentum for the growth of sustainable livelihood for the women and their empowerment socially. The studies like this can provide an impetus to develop the present initiatives of the Government.

6.5. 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, apart from the above, 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 HHs), an attempt has been made to understand the socio-economic conditions of the women entrepreneurs.

b. The participants in this study were highly non-receptive in expressing their real opinion to a third party aside from NGO staff.

c. To ensure accurate estimates of program benefits and success, it would be desirable to measure both costs and outputs (financial and non-financial). Thus the present study lacks a cost-benefit analysis.

6.6. SUGGESTIONS FOR FURTHER STUDY

The present study was aimed at finding out the impact of ULPs on the development of micro-entrepreneurship among women entrepreneurs. The study cannot be termed complete in all respect due to limited economic, time and sample size. The investigator had to restrict herself to select 160 subjects. Thus the investigator made following suggestions for further research:
1. Findings from the present studies are useful to refine the practices of Government Program Initiatives for Inclusive Development i.e., refinement of inclusive development system design.

2. A comparative study of impact of the Govt. and Non-Govt. intervention can be analyzed to pinpoint the lacunas in any system.

3. This study can be extended to make a comparative analysis of impacts of ULPs or any Govt. Development programmes on different types of micro-enterprise sectors like services, handicraft, manufacturing etc. (Inter-sector comparison) and also on male and female (gender based comparison). Research on interstate comparison, urban-rural comparison can also be suggested from time to time.

4. A study on role of socio-economic status, social intelligence and self-efficacy of women entrepreneurship may be conducted. A further analysis may be conducted on socio-economic status and its implications to their entrepreneurial performance and success also.

5. A detailed impact study of the ULPs on individual aspects of a women entrepreneur i.e., economical, political, social, psychological and attitudinal aspects, may be conducted to trace the causes of the high degree of failures in the women business endeavours in particular and in the informal / micro entrepreneurial sectors, in general.

6.7. FINAL WORDS

It is evident there is no single solution to the challenges at hand for eliminate poverty and social exclusion of the poor masses in India. The development of entrepreneurship is not the only panacea to enhancing a sustainable livelihoods of the women, the most vulnerable among excluded. Various initiatives taken by the Government of India like urban livelihood development programs (ULPs) could prove to be useful for micro-entrepreneurship, capital formation, employment generation, enhanced savings, skills development, placements, asset building, enhanced life style, sheltered employment, microfinance, reservations and so on and so forth. This also depends on the resource availability and related aspects as long as these all promise better access and none or minimal barriers coupled with non-discriminatory and positive attitudes leading towards the creation of an inclusive society that will benefit not only the women but the society at large.