CHAPTER V

SUMMARY, MAJOR FINDINGS, CONCLUSION AND POLICY IMPLICATIONS

5.1: Introduction

A brief summary, major finding, conclusion and policy implications of the study are presented in this chapter. Scope for further research is also provided at the end of this chapter.

5.2: Title of the Study

Entrepreneurial Development in Kerala: A Study with special Reference to Kudumbasree Programme.

5.3: Summary

Promotion of micro enterprise under self-help groups of women is considered a means of poverty alleviation and empowerment of rural population. A new wave of enterprises, funded through microfinance, has pushed the state of Kerala ahead in grass root level development activities in the country. The formation of self-help groups of women under Kudumbashree is a turning point in the concepts and practice of women development in Kerala. Although Kerala accounts for just about 3.5 percent of the population in the country, more than 11 per cent of its people, mainly women, are the members of neighbourhood and other self-help groups.
In Kerala the Kudumbashree Mission a process–oriented project, implemented in the year 1998 is a new foot–step on women’s empowerment. The mission took active role in the formation of micro enterprises in Kerala through the network of community development societies and self-help groups with the objective of attaining social and economic empowerment of the marginalised, especially women. In this study the growth and development of Kudumbashree Mission and the various aspects of empowerment and perception of micro entrepreneurs under Kudumbashree Mission, Kerala have been studied.

The major objective of this study was to examine the perception of women entrepreneurs regarding motivations, reasons for selection of activity, the role of Kudumbashree Mission for their development and to assess the extent of empowerment that have brought to the women entrepreneurs through their entrepreneurial activities.

The study is descriptive in nature. Both primary and secondary data have been collected for the present study. 472 respondents from 118 group micro enterprises in three districts, namely Alappuzha, Kozhikode, and Malappuram were selected from Kerala state. The whole data were analysed based on education, marital status and entrepreneurial activity. The primary data have been collected through well structured interview schedule from the women micro entrepreneurs who undertake different types of micro enterprises. Disproportionate sampling was adopted for the study. Simple statistical tools such as percentage, average, chi-squars and analysis of variance were used for
analysing the data. Five point Likert Scale was used to quantify the qualitative data and to measure social and economic improvement of the respondents. ANOVA techniques were used to measure the variations. All the analyses have been done with the help of SPSS statistical package. The entire research work has been presented in five chapters.

5.4: Major Findings of the Study

At the inception stage, the operations of Kudumbashree Mission were confined to urban areas and a few selected panchayats in Kerala State, India. In the year 2002, the operations of the mission have been universalised across the state. It is interesting to note that spontaneous growth was recorded after 2006 and the number of SHG-bank linkage programme have increased remarkably since 2006.

The selected women entrepreneurs (472) are occupying five entrepreneurial activities, namely food processing, restaurant and catering, manufacturing, service and other miscellaneous enterprises. While 28 per cent of them were engaged in manufacturing and another 23 per cent of the respondents were involved food processing entrepreneurs. The restaurant and catering and service entrepreneurship constitute 19 per cent each. The other or the miscellaneous entrepreneurs are just 11 percent.

A majority of the respondents (52 per cent) in Mallappuram district were involved either in food processing, restaurant or catering activity. In the case of Allappuzha and Kozhikode districts, the respondents occupy in manufacturing (37 per cent and 30 per cent respectively).
Among the selected entrepreneurs, a majority (63 per cent) of them were located in their entrepreneurial activity in rural areas. In fact, 30 per cent of food processing and 28 per cent of manufacturing entrepreneurs carried out their entrepreneurial activity in rural areas.

The study found that almost all respondents, except five per cent are in the working age group, namely 20 years to 50 years. The respondents were found in young and productive age group. Youngsters prefer innovative type of activities and old age respondents prefer conventional type of activities. The Chi-square analysis proved that the age of micro entrepreneurs influence the nature of activity.

The study found that the majority of the respondents (43 per cent) have studied up to secondary level school education. One-third of the respondents studied up to primary school education. Hardly 15 per cent of the respondents have studied above higher secondary school. Interestingly, eight per cent of samples only know about writing their names. However, the analysis indicates that the level of education has influenced the nature of entrepreneurial activity.

The study found that a majority of the respondents are followers of Hindu religion (80 per cent). Representation from Muslims and Christians are found very less.

A majority of the respondents (73 per cent) were found in backward community. Almost equal proportions of the samples were found from forward and SC/ST. The participation of women SC/ST entrepreneurs in the Kudumbashree entrepreneurial activity was meagre (13 per cent) or poorly
represented, they have been excluded from the Kudumbashree Mission. Very particularly, the participation of SC/ST in manufacturing activity was found to be six per cent only.

A majority of the respondents (73 per cent) were found in backward community. Almost three-fourths of the women entrepreneurs were married and living in a family system. In fact, four-fifths of the respondents from food processing, manufacturing and other entrepreneurs were found married. About one-third of the service entrepreneurs were found unmarried. The Kudumbashree Mission also helped the widow and divorced to end up in entrepreneurial activity such as food processing, restaurants, catering and manufacturing activity. Thus, the Kudumbashree Mission sustains the livelihood of socially excluded people.

The study found that three-fourths of the respondents had no occupation before starting micro enterprise. The women were either housewives or unemployed. The women who were once agricultural workers and wage employees are now turned into entrepreneurs. Thus, the Kudumbashree Mission has helped the underprivileged women to enter some kind of entrepreneurial activity for their livelihood enhancement and also for the improvement of their standard of living. Thanks to Kudumbashree Mission, 76 per cent of the house wifes are turned to entrepreneurs.

A majority of the entrepreneurs were living in nuclear family (64 per cent). However, 51 per cent of the service entrepreneurs were living in joint family. Similarly one-third of manufacturing, restaurant and catering
respondents were living in joint family. The family size of majority of the respondents was found lesser than five members. It is found that 59 per cent of the sample became members of self-help groups after 2006, the year of universal operations of the Kudumbashree Mission in rural areas in Kerala State. A large number of respondents from food processing, manufacturing and other types of entrepreneurs became members only after 2006. The membership in Kudumbashree Mission helped the respondents to start micro enterprises. However, the service, restaurant and catering entrepreneurs had entrepreneurship practice even before the Kudumbashree Mission started in Kerala.

The respondents were depending on their family members and relatives for running the enterprise. A large number of respondents from food processing, manufacturing and other types of respondents depended on their husband, parents, children and also relatives. However, the respondents from service entrepreneurs stood on their own, less depending on their family members for running the enterprises. Nonetheless, 84 per cent of women micro entrepreneurs had also stated that male help was not at all necessary for running their business.

With regard to the source of investment, the bank loan and subsidy constituted most attractive part. This shows that the bank linkages was a major source of investment to 76 per cent of respondents, particularly the contribution by the nationalised banks was great. More particularly in urban areas 93 per cent were linked with commercial banks.
More than 43 per cent of the respondents have reported that the investment for their enterprise was found from Rs.1 lakh to Rs. 2 lakhs and only four per cent availed loan amount above Rs. 2 lakhs. Activity-wise analysis shows that 16 per cent of service units availed a loan amount of more than Rs.2 lakhs. The results of the chi-square revealed that the nature of micro enterprise influenced the level of borrowings.

The respondents have received loan from commercial banks, cooperative banks and Regional Rural Banks. The role of commercial banks and cooperative banks are highly laudable in meeting out financial requirement of the women entrepreneurs in the rural areas. It is the restaurants and catering respondents and service respondents extracted highest benefit from the nationalised banks. Furthermore, 71 per cent of the respondents prefer to receive group loan rather than getting individual loan.

Most of the entrepreneurs responded that the training and financial support given by Kudumbashree Mission helped them to take up entrepreneurial activity. The spirit of entrepreneurship is inculcated through the training programmes and the mission enables them to views micro enterprise development as a group approach to empower women. 59 per cent of the respondents reported that they got training after becoming member of the Kudumbashree Mission. A majority of the respondents in restaurant and catering, manufacturing and other entrepreneurs have got training only after they became member in Kudumbashree Mission. However, the service and
food processing enterprises have got some training even before they entered into Kudumbashree Mission.

More than half of the respondents work eight hours per day. In fact, large number of manufacturing (82 per cent) and other type of entrepreneurs work just eight hours per day. However, 88 per cent of the respondents from restaurants and catering entrepreneurs work 9 to 12 hours per day.

84 per cent of the respondents have got medium to high job satisfaction with the type of enterprises they were engaged in. A large number of entrepreneurs from restaurants and catering (43 per cent), food processing (49 per cent) and other type of entrepreneurs (80 per cent) have got medium to high satisfaction with their entrepreneurial activity.

Even though many of the developmental programmes are experiencing high level of political interference, it is a good sign that no political interference is clearly reflected in the case of women micro enterprises under Kudumbashree Mission. In fact 87 per cent of the respondents never experienced any sort of political interference in their entrepreneurial activity. Nonetheless, 20 per cent of manufacturing respondents have met with some disturbance from political parties in running their industry.

Respondents reported that the reasons for selecting a particular entrepreneurial activity. 46 per cent of the sample responded that the reason behind the selection of the type of activity was influenced by the advice from experienced person. The marketing opportunities attracted another 24 per cent of the respondents. Availability of raw materials, prior experience, and
indigenous technology were the other reasons to enter entrepreneurs venture. The analysis also shows that the reasons for selecting an entrepreneurial activity tended to differ on the basis of nature of product.

The role of Kudumbashree Mission in micro enterprise development is reflected in the case of women micro entrepreneurs. 52 per cent of the respondents responded that the Kudumbashree Mission arranged the fund requirements of the entrepreneurs. 12 per cent of the sample reported that the Kudumbashree Mission helped in product selection and also helped supervision. The study found that the Kudumbashree Mission helped to attend specialised marketing training and escort services to micro enterprises. It was found that financial support and product selection were the highest in the case of restaurant and catering entrepreneurs. Financial and training support was the highest in the case of food processing entrepreneurs. Finance, supervision and marketing support was the highest in the case of manufacturing and service entrepreneurs. The other entrepreneurs have received large support in finance and training.

Respondents dropouts from the groups, due to various reasons. The analysis shows that the average dropouts from the group was 19.19 per cent, and the district Malappuram tops highest drop outs (23.49 per cent). The study also shows that a percentage dropout was higher in urban areas. Education-wise dropout rate was the highest in the case of uneducated groups. The dropout rate was the highest in the case of service units due to marriage, since the unmarried women occupied in the service enterprises, quit the enterprise after their
marriage. Hence, large drop outs were found in service entrepreneurs’ category.

The analysis shows that 63 per cent of the samples were motivated by compulsion factors and 31 per cent were motivated by ambition factors. The study also proved that there was significant difference with regard to motivational factors of women, educational-wise and age-wise.

Under the Kudumbashree Mission, the women who set up group micro enterprises were mainly new comers to the area. As it is disclosed from the survey that majority of the micro entrepreneurs were middle-aged housewives. They have to face many problems while running the enterprise. The main problems faced by women micro entrepreneurs, according to ranking were financial problems, marketing problems, socio-personal problems, managerial, administrative problems, manufacturing problems and other miscellaneous problems.

The first and foremost important problem was financial problem. Out of 472 women micro entrepreneurs surveyed 36 per cent reported that they were facing financial problems. The women entrepreneurs under Kudumbashree Mission, especially poor were facing various financial constraints at the time of starting as well as during operation of their enterprise. The important financial constraints faced by women micro entrepreneurs might be shortage of fixed and working capital, negative attitude of banks towards them, delay in sanctioning loans, inadequate size of loan, inability of collateral securities, rigid repayment schedule and ignorance of banking procedure.
The other most important problem was marketing constraints. Marketing problem was common to all entrepreneurs; most of them found it difficult to market their products. Since the micro enterprises were run by poor folk, they did not possess the knowledge of how to market their products and whom to contact for this purpose. Along with the above marketing problems the other problems might be heavy competition with big entrepreneurs, exploitation by middlemen and difficulty in collecting dues, inadequate sales promotion avenues and lack of export marketing support to market their products.

Socio-personal problem was another major problem of women entrepreneurs. In a male dominated society, women are encountered with many social and personal problems, such as lack of family support, lack of education and information, economic backwardness, lack of risk bearing capacity, lack of confidence, dual role of women in the society and household, problems of public relations, lack of economic freedom and fear of social security. Among the selected women micro entrepreneurs 20 per cent reported that they were facing these socio-personal problems.

The next important problem faced by the women micro entrepreneurs was the managerial and administrative problem. Even though the enterprise is micro in nature there might be many administrative problems, such as non co-operation of some of the members in the groups, decision taken by the convener without discussing with the members, partiality in profit sharing, not discussing account and financial matters in the meetings and superiority
complex of the convener. Out of 472 respondents, eight per cent admitted that they were facing such problems.

The other problem encountered by the women micro entrepreneurs was manufacturing problem during production process. Production related problems were, inadequate availability of land, plots and premises, problem of getting required inputs, inadequate technical support of production, lack of infra-structural facilities, poor inventory management. The women micro entrepreneurs undertake different types of activity. Seven per cent of the respondents reported that they had problems related to manufacturing.

The women entrepreneurs also faced other miscellaneous problems like, inadequate Government assistance, red-tapes at various levels, poor recognition by the society and frequent political interference. However, only few respondents reported such kind of problems.

Social and economic empowerment framework was developed based on eight variables, namely decision making role, social status, mobility, participation in social development, group solidarity, communication skill, awareness and leadership skills. The degree of empowerment of women micro entrepreneurs were analysed based on education, marital status and nature of entrepreneurial activity with the help of Likert Scale and mean scores.

Based on the analysis, it is concluded women micro enterprises possess a moderate level of social empowerment. As a result the study rejects the null hypothesis that micro enterprise development does not lead to social empowerment. The study also proved that there is significant difference in the
extent of social empowerment, activity wise, education wise and marital status wise. As a result the study rejects the null hypothesis that the extent of social empowerment is independent of educational level, marital status and activity of women micro entrepreneurs.

Based on the analysis the study found that, the women micro entrepreneurs possess a low level of economic empowerment since the mean income is Rs. 1083.35, per month which is below the minimum income targeted by the Kudumbashree Mission. As a result the study accepts the null hypothesis that micro enterprise development does not lead to economic empowerment. The study proved that there is no significant difference in the extent of economic empowerment with respect to activity of the entrepreneurs.

Out of the hypotheses formulated and tested, the following conclusions were made.

1. The motivational factors of women entrepreneurs are independent of nature of activity, age and educational level of the women micro entrepreneurs;
2. Micro enterprise development does lead to social and economic empowerment of women micro entrepreneurs;
3. The extent of social and economic empowerment of micro entrepreneurs is independent of marital status, education and nature of activity.
5.5: Conclusion

The study corroborates that the Kudumbashree Mission is one of the most effective schemes for uplifting rural masses especially women micro entrepreneurs of Kerala. If the suggestions are properly implemented by the agencies concerned, it will definitely improve the standard of living of rural population of Kerala.

5.6: Policy Implications

Following are the important suggestions and recommendations based on the findings of the study.

- A special package is to be established for creating awareness about the micro enterprise activities and imparting training programmes to women groups at every panchayat level to promote women micro entrepreneurship.

- It is recommended that the products produced by Kudumbashree units should be given priority while inviting tenders by local authorities and semi-government organisations. This will ensure ready marketability of the products.

- A single window system, that is convergence of all programmes intended for women development, is necessary to build confidence and to motivate women micro entrepreneurs to go for innovative programmes.

- The beneficiaries under Kudumbashree Mission by the SC/ST categories are a few, as per the findings of the study and hence they need to be
encouraged to take part in Kudumbashree Mission and pave a way for socio-economic development of the downtrodden community. Similarly, the Government should encourage the forward community people also to take up the entrepreneurial activity as their participation in Kudumbashree Mission was found hardly 14 per cent.

- The approach of financial institutions should be more positive and policies must be liberal to promote women micro entrepreneurship.
- A common facility centre under the mission is necessary to supply raw materials and marketing of finished goods. Hence, co-operative marketing strategies should be evolved among various units to mitigate the hardships in the marketing of products. Furthermore, showrooms and sales counters should be opened in market places and the products be sold through PDS system at concessional rates. Women entrepreneurs should get the benefits of the developments in IT so that it can be utilized for passing timely and urgent information on marketing strategies.
- For sustainable development of micro enterprises, group enterprises must be encouraged. The size of the groups must be small, which will help the functioning of the group activities smoothly.
- The nature of activity and the products should be so designed, based on locally available resources, which suits the local skills, and market conditions.
• To ensure successful functioning of the groups, constant vigil should be there on the part of mission to monitor the progress of the units, identify the problems and suggest remedial measures with the help of experts in this area.

• The community organizers, voluntary organisations and the local self Governments should take keen interest in the activity undertaken by the women groups so that they gain confidence.

• There must be an attitudinal change towards the consumption of products produced by the Kudumbashree Mission entrepreneurs. In a consumer state like Kerala, this will help in the growth of tiny units in our neighbourhoods, which will make economic and social empowerment of women and prosperity to their family.

• The success of the Kudumbashree Mission depends on five important variables, namely Participation, Transparency, Effectiveness, Efficiency, and Consistency.

5.7: Scope for Further Research

Further research can be carried on the delivery mechanisms of Kudumbashree Mission on the poor women. Studies on women in non-conventional entrepreneurial activity and socio-economic empowerment can also be undertaken. Financial accessibility, Kudumbashree–bank linkage, the ways and means of promoting their products and developing knowledge system are other research area. Furthermore, studies can be conducted on linking poverty reduction through Kudumbashree movement; women liberalisation
through this is another potential area to be explored. A comparative study can be done between SC/ST beneficiaries and non-SC/ST beneficiaries of Kudumbashree Mission. Microfinance institutions accessibility by the Kudumbashree Mission and forward and backward linkage to the region are to be explored in future research. As the participation of the socially excluded community in Kudumbashree Mission is only meagre, a study may be conducted on linking SC/ST women entrepreneurs’ accessibility to Kudumbashree Mission and socio-economic development of this weaker section.