CHAPTER I
INTRODUCTION

1.1: Introduction

Unacceptable levels of poverty and the gradual feminisation of such poverty are the most daunting of all our challenges. The eradication of poverty and a special focus on women in all poverty alleviation programmes has been major strategies since seventies. Though women issues have moved centre stage in our thinking and women’s participation is now an inseparable part of the theory of planning, gender equality and gender justice are still distant dreams. According to the latest estimation, globally 1.2 billion people live in extreme poverty (people live on of wages of lesser than one dollar per day). Of which 44 per cent are in South Asia and 75 per cent live in rural areas. In India because of sustained efforts aimed at poverty alleviation, despite an estimated number of over 300 million people crossing the poverty line during 1973-74 to 1993-94, official data has maintained that 36 per cent of the population remains poor.

A more recent estimate showed a further dip in poverty level down to 20 per cent in the year 2013-14. However, the sheer size of the population in the country would indicate about 260 (20 per cent of Indians) million people still live below poverty line, even if we were to go to by the official estimate. Of the total female population in India, 77 per cent live in rural areas.
Table 1.1 exhibits the estimates of poverty in India over the years 1973-74 to 2013-14. In between rural and urban poverty, a major breakthrough in poverty reduction was found in rural areas during the year 1993-94. Rural poverty reduced by 15.8 per cent and urban poverty by 12.8 per cent. Thanks to the new economic policy of liberalisation, privatisation and globalisation poverty had reduced drastically in 1993-94. The year 2013-14 witnessed further reduction of poverty in rural areas (21.5 per cent) and urban areas (18.5 per cent). In aggregate only 20 per cent live in poverty in India.

Table 1.1: Estimates of Poverty in India

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Years</th>
<th>Rural</th>
<th>Urban</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1973-1974</td>
<td>56.4</td>
<td>49</td>
<td>54.90</td>
</tr>
<tr>
<td>2.</td>
<td>1983-1984</td>
<td>53.1</td>
<td>45.2</td>
<td>51.30</td>
</tr>
<tr>
<td>3.</td>
<td>1993-1994</td>
<td>37.3</td>
<td>32.4</td>
<td>36.00</td>
</tr>
<tr>
<td>4.</td>
<td>2003-2004</td>
<td>24.5</td>
<td>21.6</td>
<td>23.05</td>
</tr>
<tr>
<td>5.</td>
<td>2013-2014</td>
<td>21.5</td>
<td>18.5</td>
<td>20.00</td>
</tr>
</tbody>
</table>

(Source: EPW Mumbai)

1.2: Relevance of the Study

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

Even though Kerala ranks high on indicators of social welfare, however it has not experienced similar levels of progress economically. The average annual per capita income is one of the lowest in the state as labor force participation is
one of the lowest (32. per cent). If we take into consideration all workers (main and marginal) the female work participation in Kerala declined from 16.61 per cent in 1981 to 15.28 per cent in 2001. According to census 2011 the average WPR is 25.21 in India and that of Kerala is only 18.23. Indicators of women’s economic role in Kerala show a desperate picture. Rate of female employment has been low in general. It is suggested that gender discrimination in labour market is a factor contributing to low level of economic participation among women in Kerala. Moreover, there has been a tendency for feminisation of poverty and the number of female-headed households has been increasing sharply. Several studies have been conducted on large, medium and small-scale enterprises in Kerala, but only a few studies are made relating to micro enterprises of women groups. So, the study of micro-enterprises under Kudumbasree Mission has relevance.

1.3: Theoretical Background

Adam Smith, the foremost classical economist, assigned no significance to entrepreneurial role in economic development in his monumental work An Enquiry into the Nature and Causes of the Wealth of Nations published in 1776. Smith extolled the rate of capital formation as an important determinant of economic development.

The problem of economic development was, therefore, largely the ability of the people to save more and invest more in any country. According to him,
ability to save is governed by improvement in productivity, to the increase in the
dexterity of every worker due to division of labour. Smith regarded every person
as the best judge of his own interest who should be left to pursue his own
advantage. According to him, each individual is led by an ‘invisible hand’ in
pursuing his/her interest. He always advocated the policy of laissez-faire in
economic affairs.

In his theory of Economic Development, David Ricardo indentified only
three factors of production, namely, machinery, capital and labour, among whom
the entire produce is distributed as rent, profit and wages respectively. Ricardo
appreciated the virtues of profit in capital accumulation. According to him, profit
leads to saving of wealth, which ultimately goes to capital formation.

Thus, in both the classical theories of economic development, there is no
room for entrepreneurship and economic development seems to be automatic and
self-regulated. Thus, the attitude of classical economists was very cold towards
the role of entrepreneurship in economic development. The economic history of
the presently developed countries for example, America, Russia and Japan tend
to support the fact that economy is an effect for which entrepreneurship is the
cause.

The crucial role played by the entrepreneurship in the development of the
Western countries has made the people of underdeveloped countries too much
conscious of the significance of entrepreneurship for economic development.
Now, people have begun to realise that for achieving the goal of economic development, it is necessary to increase entrepreneurship both qualitatively and quantitatively in the country. It is only the active and enthusiastic entrepreneurs who fully explore the potentialities of the country’s available resources namely, labour, technology and capital.

Schumpeter (1934) visualised an entrepreneur as the key figure in economic development because of his role in introducing innovations. Parson and Smelser (1956) described entrepreneurship as one of the two necessary conditions for economic development, the other being the increased output of capital.

Harbison (1965) includes entrepreneurs among the prime movers of innovations and Sayigh (1962) simply describes entrepreneurship as a necessary dynamic force. It is also opined that development does not occur spontaneously as a natural consequence when economic conditions in some sense need a ‘right’ catalyst or agent and this requires an entrepreneurial ability.

It is this ability that he perceives as opportunities which either others do not see or care about. Essentially, the entrepreneur searches for change, sees need and then brings together manpower, material and capital required to respond the opportunity what he sees.

The role of entrepreneurship in economic development varies from economy to economy depending upon its material resources, industrial climate
and the responsiveness of the political system to the entrepreneurial function. The entrepreneurs contribute more in favourable opportunity conditions than in the economies with relatively less favourable opportunity conditions.

Viewed from the point of view of opportunity conditions, the underdeveloped regions due to paucity of funds, lack of skilled labour and non-existence of minimum social and economic overheads, are less conducive to the emergence of innovative entrepreneurs.

In such regions, entrepreneurship does not emerge out of industrial background with well developed institutions to support and encourage it. Therefore, an entrepreneur in such regions may not be an “innovator” but an “imitator” who would copy the innovations introduced by the “innovative” entrepreneurs of the developed regions.

In these areas, according to McClelland’s (1961), concept of personality aspect of entrepreneurship, some people with high achievement motivation come forward to behave in an entrepreneurial way to change the stationary inertia, as they would not be satisfied with the present status that they have in the society.

Under the conditions of paucity of funds and the problem of imperfect market in underdeveloped regions, the entrepreneurs are bound to launch their enterprises on a small-scale. As imitation requires lesser funds than innovation, it is realised that such regions should have more imitative entrepreneurs. And, it is also felt that imitation of innovations introduced in developed regions on a
massive scale can bring about rapid economic development in underdeveloped regions also. But, it does not mean that such imitation requires in any way lesser ability on the part of entrepreneurs.

In this regard, Berna opines: “It involves often what has aptly been called ‘subjective innovation’, that is, the ability to do things which have not been done before by the particular industrialists, even though unknown to him, the problem may have been solved in the same way by the others.” These imitative entrepreneurs constitute the main spring of development of underdeveloped regions.

The important role that entrepreneurship plays in the economic development of an economy can now be put in a more systematic and orderly manner as follows:

1. Entrepreneurship promotes capital formation by mobilising the idle saving of the public.
2. It provides immediate large-scale employment. Thus, it helps to reduce the unemployment problem in the country, that is the root of all socio-economic problems.
3. It promotes balanced regional development.
4. It helps to reduce the concentration of economic power.
5. It stimulates the equitable redistribution of wealth, income and even political power in the interest of the country.
6. It encourages effective resource mobilisation of capital and skill which might otherwise remain unutilised and idle.
7. It also induces backward and forward linkages which stimulate the process of economic development in the country.

8. Last but not the least; it also promotes country’s export trade that is an important ingredient to economic development.

Thus, it is clear that entrepreneurship serves as a catalyst of economic development. On the whole, the role of entrepreneurship in economic development of a country can best be put as “an economy is the effect for which entrepreneurship is the cause”.

1.4: Major Entrepreneurship Development Programmes

As the term itself denotes, EDP is a programme meant to develop entrepreneurship abilities among the people. In other words, it refers to inculcation, development and polishing of entrepreneurial skills into a person who needed to establish and successfully runs his or her enterprise. Thus, the concept of entrepreneurship development programme involves equipping a person with the required skills and knowledge needed for starting and running the enterprise.

The National Institute of Small Industry Extension Training (NISIET), Hyderabad defines it as “an attempt to develop a person as entrepreneur through structural training. The main purpose of such entrepreneurship development programme is to widen the base of entrepreneurship by the developing achievement motivation and entrepreneurial skills among the less privileged sections of society.”
According to Singh (1985), “Entrepreneurship Development Programme is designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. It is necessary to promote this understanding of motives and their impact on entrepreneurial values and behaviour for this purpose.

Now, we can easily define EDP as a planned effort to identify, inculcate, develop and polish the capabilities and skills as the prerequisites of a person to become and behave as an entrepreneur.

1.5: Need for Entrepreneurial Development Programmes (EDP)

The Entrepreneurs possess certain competencies or traits and these competencies or traits are the underlying characteristics of the entrepreneurs which result in superior performance and which distinguish successful entrepreneurs from the unsuccessful ones.

A well-known behavioural scientist David McClelland (1961), at Harvard University made an interesting investigation-cum-experiment into why certain societies displayed great creative powers at particular periods of history and what was the cause of these creative bursts of energy? He found that ‘the need for achievement (n’ ach factor)’ was the answer to this question. It was the need for achievement that motivates people to work hard. According to him, money-making was incidental. It was only a measure of achievement, not its motivation.
EDP was first started as an experiment. This experiment is popularly known as ‘Kakinada Experiment’. Under this experiment, young persons were selected and put through a three-month training programme and motivated to see fresh goals. One of the significant conclusions of the experiment was that the traditional beliefs did not seem to inhibit an entrepreneur and that suitable training can provide the necessary motivation to the entrepreneurs (McClelland and Winter 1969). The achievement motivation had a positive impact on the performance of entrepreneurs. The fact remains that it was the ‘Kakinada Experiment’ that made people appreciate the need for and importance of the entrepreneurial training, now popularly known as ‘EDPs’, to induce motivation and competence among the young prospective entrepreneurs.

Based on this, it was the Gujarat Industrial Investment Corporation (GIIC) which, for the first time, started a three-month training programmes on entrepreneurship development. Impressed by the results of GIIC’s the Government of India embarked a scheme in 1971, a massive programme on entrepreneurship development. Since then, there is no looking back in this front. By now, there are some 686 all-India and State level institutions engaged in conducting EDPs in hundreds imparting training to thousands.

Till now, 12 State Governments have established state-level Centre for Entrepreneurship Development (CED) or Institute of Entrepreneurship Development (IED) to develop entrepreneurship by conducting EDPs. Today,
the EDP in India has proliferated to such a magnitude that it has emerged as a national movement. It is worth mentioning that India operates the oldest and largest programmes for entrepreneurship development in any developing country.

The impact of India’s EDP movement is borne by the fact that the Indian model of entrepreneurship development is being adopted by some of the developing countries of Asia and Africa. Programmes similar to India’s EDPs are conducted in other countries also, for example, ‘Junior Achievement Programme’ based on the principle of ‘catch them young’ in USA and ‘Young Enterprises’ in the U.K.

1.6: Objectives of Entrepreneurship Development Programmes

The major objectives of the Entrepreneurship Development Programmes (EDPs) are:

a) To develop and strengthen the entrepreneurial quality, that is motivation or need for achievement.

b) To analyse environmental set up relating to small industry and small business.

c) To select the product.

d) To formulate proposal for the product.

e) To understand the process and procedure involved in setting up small enterprise.
f) To know the sources of help and support available for starting a small scale industry.

g) To acquire the necessary managerial skills required to run a small-scale industry.

h) To know the pros and cons in becoming as an entrepreneur.

i) To appreciate the needed entrepreneurial discipline.

j) To allow the entrepreneur himself/herself to set or reset objectives for his/her enterprise and strive for their realisation.

k) To prepare him/her to accept the uncertainty in running a business.

l) To enable him/her to take decisions.

m) To enable him/her to communicate clearly and effectively.

n) To develop a broad vision about the business.

o) To make him/her subscribe to the industrial democracy.

p) To develop passion for integrity and honesty.

q) To make him/her learn compliance with law.

1.7: Entrepreneurship Development and Women

The Indian economy has been witnessing a drastic change since mid-nineties; with new policies of economic liberalisation, globalisation and privatisation initiated by the Indian Government India has great entrepreneurial potential. At present, women involvement in economic activities is marked by a
low work participation rate, excessive concentration in the unorganised sector and employment in less skilled jobs.

Any strategy aimed at economic development will be lop-sided without involving women who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantial contribution to economic growth. The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs.

In this dynamic world, women entrepreneurs are an important part of the global quest for sustained economic development and social progress. In India, though women have played a key role in society, their entrepreneurial ability has not been properly tapped due to the lower status of women in society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognised with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are being implemented for the development of women entrepreneurship in India.
There is a need for changing the mindset towards women so as to give equal rights as enshrined in the constitution. The progress towards gender equality is slow and is partly due to the failure to attach money to policy commitments. In the words of former president of India, Abdul Kalam “empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation”.

When a woman is empowered it does not mean that another individual becomes powerless or is having less power. On the contrary, if a women is empowered her competencies towards decision-making will surely influence her family’s behaviour.

In advanced countries there is a phenomenon of increase in the number of self-employed women after the World War II. In USA, women own 25 per cent of all business, even though their sales on an average are lesser than two-fifths of those of other small business and in France it is one-fifth.

1.8: Categories of Women Entrepreneurs

Women entrepreneurs have been categorised into five groups: they are

(i). Women in organised & unorganised sector.
(ii). Women in traditional & modern industries
(iii). Women in urban & rural areas
(iv). Women in large scale and small scale industries.
(v). Single women and joint venture.

1.9: Categories of Women Entrepreneurs in Practice in India

When it comes to India women entrepreneurs are categorised as first category, second category and third category. Entrepreneurial activity is established in big cities, having higher level technical and professional qualifications, non-traditional items and sound financial positions are classified in the first category. The second category women entrepreneurs comes under women established enterprise in cities and towns, having sufficient education, sell both traditional and non-traditional items and undertaking services like kindergarten, crèches, beauty parlors and health care clinic. The third category of women entrepreneurs practice in India are, women entrepreneurs who are illiterate, financially weak and women involved in family business such as agriculture, horticulture, animal husbandry, dairy, fisheries, agro forestry, handloom, power loom and so on.

1.10.4: Direct and Indirect Financial Support

The Government of India extends financial support to the women entrepreneur directly as well as indirectly. The supporting agencies are: Nationalised banks, State finance corporation, State industrial development corporation, District schemes, Mahila Udyug Needhi scheme, Small
Industries Development Bank of India (SIDBI) and State Small Industrial Development Corporations (SSIDCs).

1.10: Government Support Measures for Entrepreneurship Development

1.10.1: National Bank for Agriculture and Rural Development (NABARD)

National Bank for Agriculture and Rural Development (NABARD), an autonomous financial institution gives liberal credit for rural development through SHG-bank linkage schemes and MSME schemes. State wise list of SHGs coming under NABARD is depicted in Table 1.2.

The inter-state analysis clearly shows that compared to other regions of the country, southern states have larger number of SHGs and higher coverage. Self-help group of some south Indian states like Andharpradesh, Karnataka, Kerala and Tamil Nadu occupy nearly fifty per cent of the total SHGs in the country, whereas certain north eastern states like Manipur, Megalaya together constitute hardly one per cent of the total SHGs in the country. Thus, it is concluded that the former ones receive substantial portion of NABARD assistance whereas the latter shows a desperate picture of NABARD assistance.
Table 1.2: SHGs Coverage under NABARD (in 2013)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of SHGs</th>
<th>Per cent share</th>
<th>State</th>
<th>Number of SHGs</th>
<th>Per cent share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>1,495,904</td>
<td>18.8</td>
<td>Nagaland</td>
<td>10,711</td>
<td>0.1</td>
</tr>
<tr>
<td>Arunachal Pradesh</td>
<td>8,363</td>
<td>0.1</td>
<td>Odisha</td>
<td>540,029</td>
<td>6.8</td>
</tr>
<tr>
<td>Assam</td>
<td>276,565</td>
<td>3.5</td>
<td>Puducherry</td>
<td>17,913</td>
<td>0.2</td>
</tr>
<tr>
<td>Bihar</td>
<td>305,113</td>
<td>3.8</td>
<td>Punjab</td>
<td>37,343</td>
<td>0.4</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>129,854</td>
<td>1.6</td>
<td>Rajasthan</td>
<td>251,654</td>
<td>3.2</td>
</tr>
<tr>
<td>Goa</td>
<td>8,414</td>
<td>0.1</td>
<td>Tamil Nadu</td>
<td>925,392</td>
<td>11.6</td>
</tr>
<tr>
<td>Gujarat</td>
<td>226,626</td>
<td>2.8</td>
<td>Tripura</td>
<td>34,021</td>
<td>0.4</td>
</tr>
<tr>
<td>Haryana</td>
<td>44,184</td>
<td>0.5</td>
<td>Uttar Pradesh</td>
<td>47,184</td>
<td>5.9</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>65,641</td>
<td>0.8</td>
<td>Uttarakhand</td>
<td>48,141</td>
<td>0.6</td>
</tr>
<tr>
<td>Jammu and Kashmir</td>
<td>6,349</td>
<td>0.1</td>
<td>West Bengal</td>
<td>685,448</td>
<td>8.6</td>
</tr>
<tr>
<td>Jharkhand</td>
<td>89,603</td>
<td>1.1</td>
<td>A&amp;N Islands</td>
<td>5,521</td>
<td>0.1</td>
</tr>
<tr>
<td>Karnataka</td>
<td>628,643</td>
<td>7.9</td>
<td>Sikkim</td>
<td>5,280</td>
<td>0.1</td>
</tr>
<tr>
<td>Kerala</td>
<td>615,714</td>
<td>7.7</td>
<td>Mizoram</td>
<td>4,976</td>
<td>0.1</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>163,588</td>
<td>2.1</td>
<td>New Delhi</td>
<td>3,536</td>
<td>0.0</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>827,047</td>
<td>10.4</td>
<td>Chandigarh</td>
<td>619</td>
<td>0.0</td>
</tr>
<tr>
<td>Manipur</td>
<td>12,711</td>
<td>0.1</td>
<td>Lakshadweep</td>
<td>171</td>
<td>0.0</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>14,091</td>
<td>0.1</td>
<td><strong>Total</strong></td>
<td><strong>9,456,253</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Indian Brand Equity Foundation (IBEF 2013)*
1.10.2: Venture Capital Fund for Scheduled Castes

The criteria for selecting entrepreneurs under this scheme are as follows.

- SC women entrepreneurs only be favoured.
- Companies those have 60 per cent stock holdings by scheduled caste entrepreneurs shall be considered.
- Documentary evidence of being SC should be presented at the time of presenting the recommendations.
- The organisations which apply for assistance of more than five crore should evaluate their venture by banks /finance institutions before drawing assistance under the plan.

1.10.3: Special Loan for SC Entrepreneurs

Industrial Finance Corporation of India (IFCI) act as a Nodal Agency for the scheme with an outlay of Rs. 200 crore. The primary objective of this scheme is to fund SC entrepreneurs / organisations who are in need of financial support. Investment shall be funded up to a maximum of Rs. 15 crore and 75 per cent of the project cost shall be allotted under this plan.
1.10.5: Prime Minister Employment Generation Programmes (PMEGP)

PMEGP scheme is implemented by Khadi and Village Industries Commission (KVIC), Khadi and Village Industries Board (KVIB), District Industries Centre (DIC) and Nationalised Banks. The major objective of this scheme is to give financial support to income generating activities to people below poverty line. The maximum assistance provided under the scheme for manufacturing sector is Rs. 25 lakh and for service sector it is Rs. 10 lakh. Ten per cent of the project cost has to be met by beneficiaries under general category and five per cent of the project cost for all others.

1.10.6: Stand Up India Scheme

Under this scheme a credit up to rupees one crore is offered as bank loans to SC and ST women entrepreneurs for setting up of a green field venture. The primary objective of the plan is to help SC and ST women entrepreneurs for starting ventures to support the economy. The business person will get a credit up to rupees one crore and about 75 per cent of the venture cost will be treated as term credit and working capital. Rate of interest and premium will be the most minimal application rate of the bank.
1.10.7: Micro Units Development and Refinance Agency (MUDRA)

Under the MUDRA scheme all banks are ready to give loan to the microenterprises as advance up to Rs 10 lakh and advances are given under three classifications. That is Advance up to Rs. 50,000 - Shishu; Rs. 50,000 to 5,00,000 - Kishor and Rs. 5,00,000 to 10,00,000 - Tarun. More concentration is given for the Shishu class and an amount of Rs. 1, 22,188 crore was set aside during 2015 – 2016.

1.10.8: Institutional Support for Suburban Entrepreneurship

It is intended for providing microfinance to entrepreneurs in rural hinterland of India. During the financial Year 2015-16, an amount of Rs. 1,37,449.27 crore was sanctioned as MUDRA loans to micro enterprises of the total application, 22.34 per cent are from SC/ST entrepreneurs.

Table 1.3: MUDRA Loan Beneficiary

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Social Category</th>
<th>No. of Loans (Shishu/Kishor/Tarun)</th>
<th>Percentage of Total Mudra Loan</th>
<th>Disbursement Amount (in Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>SC</td>
<td>6114737</td>
<td>17.53</td>
<td>14691.79</td>
</tr>
<tr>
<td>2.</td>
<td>ST</td>
<td>1678346</td>
<td>4.81</td>
<td>4742.03</td>
</tr>
<tr>
<td>3.</td>
<td>OBC</td>
<td>10608416</td>
<td>30.41</td>
<td>29762.51</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>18401499</strong></td>
<td><strong>52.75</strong></td>
<td><strong>49196.33</strong></td>
</tr>
</tbody>
</table>

*Source: mudra.org.in Complied by DICCI Secretariat.*
1.10.9: Trade Related Entrepreneurship Assistance and Development Schemes for Women (TREAD)

Trade Related Entrepreneurship Assistance and Development (TREAD) scheme was introduced during the XI plan period. The scheme envisages the improvement of entrepreneurial talents and financial strengthening of women through enterprise activities.

1.10.10: Women Entrepreneurship Development Programme

The scheme is applicable to women entrepreneurs who are running a small business and have 50 per cent of firm ownership. The women Entrepreneurship Development Programme (WEDP) organised by state level agencies are eligible under this scheme.

1.10.11: Annapurna Scheme

In Annapurna schemes, an amount of fifty thousand is granted to women entrepreneurs, who are running or contributing to entrepreneurial activity.

1.10.12: Cent Kalyani Scheme

Under this scheme, financial assistance funded by central bank of India are provided to women entrepreneurs, to start a new venture.

1.10.13: Dena Shakti Scheme

Under the scheme, financial assistance are provided to the women entrepreneurs by Dena Bank for promoting women-owned business.
1.10.14: SIDBI Mahila Udyam Nidhi

This scheme comes under Small Industries Development Bank of India. It facilitates financial assistance of Rs.10 lakh for women entrepreneurs to start new business or enterprises.

1.10.15: Udyogini

Udyogini scheme was introduced by the Punjab and Syndicate Bank for promoting women entrepreneurs. The scheme provides loan with low interest rate for starting new entrepreneurial activities.

1.10.16: Rashtriya Mahila Kosh (RMK)

The Rashtriya Mahila Kosh is new role models for women development in India, started with a corpus fund of Rs. 31 crores. Its prime objective is to bring about socio–economic development among poor women by enhancing women empowerment through income generating activities.

1.10.17: New Entrepreneur Enterprise Development Scheme (NEEDS)

The primary objective of the scheme is to help educated unemployed youth. Entrepreneur Development Institutes (EDI) established in various parts of the country imparts training to youth and equip them to take up various entrepreneurial activities. It also prepares project proposals and mobilises financial resources through banks up to a maximum of Rs. 25 laks with a 25 per cent capital subsidy.
1.10.18: Self Help Groups (SHGs)

Self Help Groups (SHGs) a homogenous voluntary group gather fund to meet emergency needs and the members cooperate with each other based on self-help and mutual help for achieving common ends. Basically it helps the poor to meet out urgent credit requirements either for entrepreneurial activity, education purpose, family needs, employment or medical expenses. Group dynamism, mutual trust, spirit of thrift, demand based lending and women empowerment are the basic objectives of SHGs.

1.10.19: Special Credit Linked Capital Subsidy Scheme (SCLCSS)

For upgrading technology, the Government has approved a scheme for SC and ST women entrepreneurs to provide 25 per cent capital subsidy up to Rs. 25 lakh for the purchase of plant and machinery through bank loans. Purchase of all plants and machinery without any restriction on technologies is admissible, subject to consent / No Objection Certificate (NoC) from Pollution Control Board.

1.10.20: Prime Minister Jan Dhan Yojana (PMJDY)

Prime Minister Jan Dhan Yojana ensures financial accessibility to all citizens, especially economically weaker sections who have no access to bank accounts.
1.10.21: Expansion of Social Security Net

Pradhan Mantri Suraksha Bima Yojana (Accident Insurance), Atal Pension Yojana (Unorganised Sector) and Pradhan Mantri Jeevan Jyoti Yojana (Life Insurance), provide social and economic security to the marginalised communities / people.

1.10.22: Credit Enhancement Guarantee Scheme for the Scheduled Caste

The scheme is intended for the promotion of entrepreneurship among the scheduled caste and to provide concessional finance to them. An amount of Rs. 200 crores has been set apart for the fund.

1.10.23: Green Business Scheme

This scheme promotes green businesses to support sustainable livelihoods of Scheduled Castes and Safai Karamcharis. It is intended for providing financial assistance to economic activities that could address the challenges of climate change.

1.10.24: Skill Development

India is one of the youngest nations in the world. More than 54 per cent of its total population is below 25 years of age. Its population in the 15-19 age group is expected to expand over the next decade. This is in contrast to developed countries like USA, Europe and Japan where the average age would be in the range 45 to 49. As pointed out, India could reap this demographic
dividend in a big way but the challenge is to equip its workforce with employable skills and knowledge for the economic growth of our country.

While the labour force in the industrialised world is expected to decline by four per cent, in our country it will increase by 32 per cent in 20 years time. This is an indicator that India is poised to become a hub for skilled labour force. Skill development is, therefore, an urgent priority for the government. Taking into account the estimated requirement of skilled manpower in future the government has set a target of creating 500 million strong skilled manpower by 2022.

Several new schemes have been initiated with timelines for achieving the set targets. An ambitious skill development programme Pradhan Mantri Kaushal Vikas Yojana (PMKVY) was initiated in 2015. Later PMKVY was approved for another four years on 2nd of October 2016 with a target to skill ten million youth with greater focus on improving placement opportunities through high quality training. Under this Scheme, Training and Assessment fees are fully borne by the Government. The scheme being implemented through the National Skill Development Corporation (NSDC) envisages linking aptitude, aspiration, and knowledge of the skilled workforce and creates employment opportunities and demands in the market.

Another scheme Pradhan Mantri YUVA Yojana was launched in November 2016, which is being implemented in association with Wadhwani Operation Foundation as its Knowledge Partner. On line Entrepreneurship
Education will be provided to about 15 lakh students across the country through 3050 Project Institutes consisting of Institutions of Higher Learning, that is Entrepreneurship Development Centres, both Government and private. The Ministry would also provide financial assistance to these institutions for different activities under the scheme. The five-year scheme is expected to witness setting up of more than 23,000 enterprises that will create more than 2.30 lakh direct and indirect jobs in the country. The scheme provides financial assistance to both Government and private institutions that would cover around 84,000 students in the current year.

Apprenticeship training is considered to be one of the most efficient ways to develop skilled manpower. It provides an industry led, practice oriented, effective and efficient mode of formal training. 50 Lakh apprentices are expected to be trained by 2019-20 under this initiative by working proactively with the industry including MSME.

1.11: Performance and Achievements of Kudumbashree

Kerala is a literate state with the highest rate of unemployment. Kerala model of development in the field of social sectors such as health and education are appreciable; still the performance of industrial sector has not been developed much. In this scenario the Government of Kerala launched Kudumbashree Mission in 1998 with the support of NABARD and UNICEF. The Kudumbashree movement made its quiet beginning as the Government’s initiative to eradicate
poverty holistically and empower women through concerted community action. Today, it is a revolution worth replicating with four million active women participants. The Kudumbashree movement started by the Kerala Government turned out to be a tremendous success precisely because it focused mainly on the women members of economically and socially underprivileged households. Its main objective is to achieve women empowerment and poverty alleviation through enterprise activities and other activities. In the last 18 years primary focus has been given for economic independence as the first step towards women empowerment.

Organised forum of poor built up by the Kudumbashree Mission, provide an opportunity to realise the root cause of poverty and the mission statement itself is the manifestation of its objectives. The rural women once confined to their households are now actively involved in Neighborhood Groups, undertaking small livelihood activities and engaged in nation building and their presence is also visible in public sphere.

Kudumbashree is also piloting special livelihood projects to Neighbourhood groups (NHGs) women by developing collaborative projects with local industry. Kudumbashree has altered the lives of economically backward women in the state, changed their perception, built confidence, boosted morale, helped to rediscover their dignity and empowered them economically, socially and politically. Initially, the movement confined itself to a few areas in farming and
agri-business. Kudumbashree units pay out subsidies and crop insurance to needy women out of their savings. Kudumbashree members do everything from collective farming to sanitation work, run IT enterprises and micro industrial units. Presently there are more than 22000 women, in around 4600 groups engaged in all types of entrepreneurial activity.

Kudumbashree has developed training modules for micro enterprise management and conducting training programmes for women entrepreneurs. Micro enterprise development is an emerging need of the hour, started with low capital, gained momentum and now it is running on medium capital. Active involvement and timely intervention from the Mission officials enable the rural participants to excel in business and entrepreneurial activities. Besides, Kudumbashree Mission also undertakes social task oriented activities.

1.4: Kudumbashree Coverage in Kerala

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Details</th>
<th>2006-07</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Community Development Society (CDS)</td>
<td>1058</td>
<td>1072</td>
</tr>
<tr>
<td>2.</td>
<td>Area Development Societies (ADS)</td>
<td>16950</td>
<td>19789</td>
</tr>
<tr>
<td>3.</td>
<td>Neighborhood Groups (NHGs)</td>
<td>185071</td>
<td>252,000</td>
</tr>
<tr>
<td>4.</td>
<td>Families covered</td>
<td>3647000</td>
<td>3914,000</td>
</tr>
</tbody>
</table>

Table 1.4 depicts the coverage of Kudumbashree network during the last seven years from (2006-07 to 2012-13). There is a marked improvement in the performance of Kudumbashree. The development of Neighborhood Group (NHGs) is enormous. On the other hand, Community Development Societies
(CDS) have achieved the total coverage required. There are only 1058 CDS in 2006-07 but the entire state has been covered in 2012-13 with 1072 CDS. Similarly, the Area Development Societies (ADS) have also covered the entire state in 2012-13. This shows a remarkable achievement in the Kudumbashree programme.

Table 1.5 explains district-wise performance of Kudumbashree Mission in (2016). As on 2016, the Kudumbashree Mission has established 31261 micro enterprises of which, a majority was established in Ernakulam district (10.18 per cent), Thrissur (9.68 per cent) and Kozhikode (9.50 per cent). The Wayanadu district and Kasargod district performed poorly in terms of micro enterprises established under Kudumbashree Mission in Kerala during 2016.

**Table 1.5: District-wise Performance of Kudumbashree Mission (in 2016)**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the District</th>
<th>Number of Micro Enterprise</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Thiruvananthapuram</td>
<td>2709</td>
<td>8.66</td>
</tr>
<tr>
<td>2.</td>
<td>Kollam</td>
<td>2399</td>
<td>7.67</td>
</tr>
<tr>
<td>3.</td>
<td>Pathanamthitta</td>
<td>2627</td>
<td>8.40</td>
</tr>
<tr>
<td>4.</td>
<td>Alappuzha</td>
<td>2476</td>
<td>7.92</td>
</tr>
<tr>
<td>5.</td>
<td>Kottayam</td>
<td>2537</td>
<td>8.15</td>
</tr>
<tr>
<td>6.</td>
<td>Idukki</td>
<td>1585</td>
<td>5.07</td>
</tr>
<tr>
<td>7.</td>
<td>Ernakulam</td>
<td>3183</td>
<td>10.18</td>
</tr>
<tr>
<td>8.</td>
<td>Thrissur</td>
<td>3028</td>
<td>9.68</td>
</tr>
<tr>
<td>9.</td>
<td>Palakkad</td>
<td>2166</td>
<td>6.9</td>
</tr>
<tr>
<td>10.</td>
<td>Malappuram</td>
<td>1923</td>
<td>6.15</td>
</tr>
<tr>
<td>11.</td>
<td>Kozhikode</td>
<td>2972</td>
<td>9.50</td>
</tr>
<tr>
<td>12.</td>
<td>Wayanad</td>
<td>680</td>
<td>2.17</td>
</tr>
<tr>
<td>14.</td>
<td>Kasargod</td>
<td>975</td>
<td>3.10</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>31,261</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Kudumbashree Mission recognises the contribution of micro enterprises towards states economy. Micro enterprises development can bring dividend to the state economy both in terms of wealth creation and employment generation. So the Mission undertakes various training problems for entrepreneurial development and has implemented several schemes and strategies to harness the growth of micro enterprises.

The very face of rural Kerala has been transformed during these years and the Mission is taking steps to see that more power and resources are transferred to deprived class, especially women. It is also committed to eradicate poverty and has helped in identifying and solving out usual bottlenecks. It also gives a platform for the rural folks to speak out with dignity and encourage them to raise voice against injustice. Kudumbashree also focuses on multifaceted deprivation of the poor families. The Mission has evolved a project to build a model in certain panchyats on the concept of comprehensive development, on self sufficiency, self reliance and sustainability of village panchyats.

NHG women of Kudumbashree are now actively participating in the Grama Sabhas and become agents of communication between Grama Sabha and people. Besides enhancing the attendance in the Grama Sabhas, they have accelerated the process of women empowerment. In the last three elections of Local Self Government (LSG) Institutions, a large number of Kudumbashree personnel have been elected as members and chairperson of three tiers Panchayat Raj Institutions (PRI’s) and urban local bodies. Most of these representatives are people friendly
and compassionate regardless their political affiliations. Thus, Kudumbashree has been able to bring the disadvantaged groups in to the mainstream. In most of the village panchayats more than half of the members are now women and most of the standing committee chairpersons are women. The Community Development Societies (CDS) persons are also active stake holders in many programmes and developmental activities ranging from socio-economic surveys to community management and social audit.

As Oommen (2008) in his study pointed out that the Mission has “tremendous potential” in spite of its short comings. It has been widely lauded as a unique experiment and has earned international recognition for its exemplary performance. In 2002, the UNDP recognised Kudumbashree as one among the 15 best practices in India. The Central Government has modeled the National Rural Livelihood Mission (NRLM) after it. It has been recommended by the Government of India for the implementation of various central government schemes like Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), in view of its systematic functioning and corruption free set up. Representatives from the African continent, namely Ethiopia and South Africa have visited Kerala to study this system.

1.12: Conclusion

Kerala’s GDP per capita is about average for India, but its economic growth rate has been considerably slower. Some of the reasons for lack of
entrepreneurship in Kerala are: preoccupation with redistribution, aversion for taking risks and preference for secure employment. Lack of business culture built on mutual trust, unsympathetic and unsupportive bureaucracy and the labor laws and heavily biased attitude towards entrepreneur add features to these problems. According to Sait, former Chief Technical Advisor, United Nations Industrial Development Organisation (UNIDO), the factors inhibiting entrepreneurship in Kerala are: culture of the society, availability of right skill sets, infrastructure, networks and Government policy and administrative support. Even though Kerala, a 100 per cent literate state, has the highest rate of educated unemployed in the country [11.6 per cent (rural), 12.2 per cent (urban) as against India 2.3 per cent (rural) 5.7 per cent (urban)] it has forced many Keralites to leave and look for greener pastures in other parts of India or abroad. It was found that unless entrepreneurial awareness is created there will be social chaos and hence entrepreneurial initiatives of Kudumbashree Mission has relevance. The government and other service organizations conduct special programs namely Entrepreneurship Development Program (EDP) mainly for the purpose of identifying and developing potential entrepreneurs. Entrepreneurship is an occupational enterprise undertaken at an individual level which often involves financial risk, quick decision, innovative adaptation, continuous investment and above all a temperament for organisation brought about by the British Raj. There is thus a need is to inculcate the spirit of enterprise into the psyche of the present generation.