

Research Project Report

Self-employment Endeavours of Self-Help Groups of Women in Kerala

Submitted to

**Kerala Institute of Labour and Employment (KILE)
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Dr. (Fr.) Charles Leon

Preface

Income generation through self-employment by setting up micro/small enterprises is probably the best strategy for poverty alleviation among the vulnerable communities. The Central and the state governments are keen on promoting such activities for which the Micro, Small and Medium Enterprises Development (MSMED) Act was passed in 2006. Several governmental organisations and voluntary agencies have been promoting such self-employment enterprises.

A close look at the micro-enterprise scenario in Kerala is necessary to assess the progress of these enterprises in terms of the surplus income generated per month, the range of products brought out, their quality assurance, the marketing strategies and the level of customer satisfaction and finally their sustainability. The study intends to identify the positive factors (variables) which contribute to the stability and success of the units and the negative factors (variables) which erode their financial stability. Analysis of the data collected has helped the study team to identify these positive and negative factors and formulate an appropriate guideline of **do's and don'ts** for the sponsoring agencies, the resource persons who design the modules for the training and the leaders and members of the groups of entrepreneurs in the day-to-day management of their enterprises. A handbook could be prepared for their guidance. This is, in fact, the expected outcome of the study.

Furthermore, an attempt is made not only to measure the degree of empowerment attained by the leaders of these income generating groups, but also the causative variables which contribute to their empowerment. Knowledge of these independent variables will help the sponsoring agencies to activate them in a planned manner and facilitate the empowerment process of these hapless women from among the vulnerable communities.

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Abbreviations

1.	ADS	:	Area Development Society
2.	ATW	:	Attitude Towards Women
3.	CDS	:	Community Development Society
4.	FGD	:	Focus Group Discussion
5.	GDP	:	Gross Domestic Product
6.	IGAV	:	Income Generation Activities Volunteer
7.	IGE	:	Income-generating enterprise
8.	LSG	:	Local Self-Government
9.	MSME	:	Micro Small and Medium Enterprises
10.	MSSS	:	Malankara Social Service Society
11.	MYRADA	:	Mysore Resettlement and Development Agency
12.	NABARD	:	National Bank for Agriculture and Rural Development
13.	NGO	:	Non-Government Organisation
14.	NHG	:	Neighbourhood Group
15.	NIDS	:	Neyyattinkara Integral Development Society
16.	PPC	:	Production, Planning and Control
17.	SA	:	Sponsoring Agency
18.	SCMG	:	Savings and Credit Management Groups
19.	SHG	:	Self-Help Group
20.	SME	:	Sales and Marketing Enterprise
21.	SIDBI	:	Small Industries Development Bank of India
22.	TSSS	:	Trivandrum Social Service Society

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Chapter I

Introduction

1.1 Introduction

Women still continue to be the weaker sex in Indian social and family set-up. They enjoy only a subordinate status in the age-old patriarchal set-up. Of late, since the declaration of the Rights of Women after the Beijing Conference in September 1995, efforts are being made to achieve greater equality and opportunity for women, especially in the Third World countries.

According to the recent National Sample Survey (NSSO), “Close to two out of every three Indian women are, in their prime working years, primarily engaged in unpaid house work..... Even though a majority of the women surveyed were engaged in productive activity – collecting firewood, or rearing household poultry – they could not be classified as „workers” as the value added by and the number of hours spent on these actions were not sufficient to constitute „economically productive activity”.....Among women who spent most of their time on domestic duties, over 60% said, they did so because there was no other family member to help out with household chores. A third of women doing domestic work said, they would be willing to take up regular paid home-based work, particularly of tailoring.”(S. Rukmini, The Hindu, dated, 14th October, 2014)

Table No. 1.1

Shouldering the Burden				
Over 60 per cent of women engaged in housework say there is no family member to help them out				
Percentage of women engaged in housework (all india 60.90%)				
Haryana	Tamil Nadu	Kerala	Karnataka	
72.30%	50.20%	54.70%	52.90%	
Nagaland	Meghalaya	Delhi	Andhra Pradesh	
45.70%	23.90%	66.30%	41.10%	
Proportion of women who report domestic work as main work has been steadily rising	RURAL		URBAN	
	2004-05	35.30%	2004-05	45.6%
	2009-10	40.10%	2009-10	48.2%
	2011-12	42.20%	2011-12	48.2%

Source: NSSO quote in The Hindu, dated 14th October 2014

One of the major strategies initiated and popularized by Prof. Mohammad Yunus is the promotion of micro-credit and self-help groups (SHGs) of women in Bangladesh. The progress achieved was very impressive. Lot of Grameen Banks was set up in rural areas and women were trained and given institutional support for developing various income generation activities.

In India, the concept of self-help emerged out of the Savings and Credit Management Groups (SCMG) sponsored and guided by the Mysore Resettlement and Development Agency (MYRADA), aided by NABARD. In order to enable women to have access to capital for taking up self-employment enterprises, linkages with banks were allowed (1992). As a result, a good number of micro and small enterprises have sprung up all over India.

Kerala is obviously one of the leading states in setting up self-help groups under different labels such as Kudumbashree, Janashree, Samatha, Neighbourhood Groups etc.

Reports indicate that a good number of production units have been set-up and some of them are being managed efficiently, generating attractive returns. The type of units is shown below:

Table No. 1.2

Type of Unit

A. Agriculture	B. Industries	C. Services
Herbal & general nursery	Paper bag	IT unit
Goat rearing	Readymade garments	Provision stores
Rabbit rearing	Handloom	Catering
Dairy units	Nutrimix	Clinical lab
Copra units	Kerasree	Hire service
	Craft units	Canteen
	Paper cup	
	Detergent unit	
	Handicrafts	
	Textiles	
	Tailoring	
	Umbrella units	
	Candle units	
	Carry bags	
	Bakery items	
	Papad units	
	Pickles	
	Toys out of palmyra leaves	

Source: Field data

1.2 Statement of the problem

It is obvious that managing even a micro-enterprise efficiently is not easy especially by “housewives” without much formal education, managerial skills, financial discipline, technical skills and ignorant of the complex dynamics of local markets. Efficient business management is a complex process beyond the comprehension of a typical rural housewife. In other words, economic empowerment of women through self-employment and entrepreneurship is extremely difficult and full of risks. However, there are successful units. This study is to explore the factors (variables) that contribute to the success of enterprises in a consistent manner and factors that contribute to the failure of enterprises. It is envisaged as a **holistic study** encompassing every aspect of the management process of the enterprises from a business point of view vis a vis the typical “housewife” who is expected to provide the driving force and the synergy of the work team.

1.3 Need for the study

M.A. Oommen (2007) found that, “a good number of micro-enterprise (30-40%) operated by SHG women turned out to be non-functional after one or two years of their initial working” – a conclusion based on a study of Venganoor Panchayath in Trivandrum District. Which means, there is loss of capital, the burden of repayment of loan to the bank, a sense of “shame” and depression among the group members and their leaders and a deterrent to other women who intend to set up enterprises. It is also a “failure” of the sponsoring agency. Formerly, business was a “rule of thumb” affair and it was a hit or miss approach. But, the modern approach is to make it a sure hit. The possible risks involved in managing enterprises in Kerala environment with its complex socio-political dynamics, need to be identified, for which empirical studies are required so that appropriate mitigation measures could be envisaged. Hence, this proposal.

1.4 Objectives of the study

1. To understand the efforts made by SHGs of women and their supporting agencies to promote self-employment among its members to generate surplus incomes and improve their standard of living
- 2.1 To undertake in-depth case studies of successful enterprises and examine in detail the factors – variables that contribute to their sustainability and prosperity

- 2.2 Like-wise, to examine some cases of enterprises which are failing/have failed and understand the factors – variables which contribute(d) to their failure
3. To prepare the **personality profiles** of successful **business women** among the SHGs and develop role models for others to emulate. Also, to assess the degree of empowerment attained by them through activities promoted by SHGs and the self-employment enterprises
4. To identify the **best practices/innovative practices** in management prevailing among successful enterprises and document them for the benefit of others
5. To formulate on the basis of the findings of the study, appropriate recommendations for revamping those enterprises which suffer from sickness along correct business line so that they generate steady incomes

1.5 Research questions

1. As a policy, should the promoting agency discourage group enterprises because it is found that a good number of such enterprises fail mainly due to intra-group conflicts, lack of strong team spirit, and weak leadership?
2. Are enterprises promoted by governmental agencies such as Kudumbashree Mission, Sasthra Sahithya Parishat, State Women Development Corporation perform better than those promoted by non-governmental agencies because of better resources and statutory status and rights?
3. Micro-enterprise in general, generate small daily incomes of Rs. 75 – 125 per head which is much less than what these women could earn if they go out for doing casual work in the construction sector, domestic work, shops and commercial establishments which usually fetch Rs. 250 – 300 per day. On the basis of this reality, is there need for a rethink about promoting micro-enterprise spending money, time and energy?
4. From a sociological point of view, women who are engaged in income generation activities, especially taking risks are in a transformation process of getting empowered – economically and socially. The

study will try to assess, using scaling techniques, the nature and the degree of empowerment attained by the women of successful enterprises.

1.6 Definition of key terms

1. Self-help Group

A self-help group is defined as a "self-governed, peer controlled information group of people with similar socio-economic background and having a desire to collectively perform common purpose."shodhganga.inflibnet.ac.in/bitstream/10603/5387/12/12_chapter5.pdf

For this study, SHGs of Kudumbashree, Janasree, Samatha and those organised by prominent NGOs are considered, based on the above definition.

2. Entrepreneurship

- (1) "Entrepreneurship" describes the establishment of new organizations or the revitalization of mature organizations in response to a perceived business opportunity. (Wikipedia)
- (2) Jean Baptiste Say (1816): The entrepreneur is the agent, "who unites all means of production and who finds in the value of the products...the reestablishment of the entire capital he employs, and the value of the wages, the interest, and rent which he pays, as well as profits belonging to himself."

Both these definitions are relevant to this study.

3. Micro-finance

- (1) Micro-finance is a source of financial services for entrepreneurs and small businesses lacking access to banking and related services. (Wikipedia)
- (2) A type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services. Ultimately, the goal of micro-finance is to give low income people, an

opportunity to become self-sufficient by providing a means of saving money, borrowing money and insurance. (Investopaedia dictionary)

- (3) Micro-finance, according to Otero (1999, p.8) is “the provision of financial services to low-income poor and very poor self-employed people”. (MICRO-FINANCE Literature Review Based on work by Eoin Wrenn for Trócaire, 2005)

All these definitions are more or less similar in their perspectives and relevant to this study.

4. Micro-enterprise

- (1) A **micro-enterprise** is a type of small business, often registered, having five or fewer employees and requiring seed capital of not more than \$35,000.(Wikipedia)
- (2) A small business that employs a small number of employees. A micro-enterprise will usually operate with fewer than 10 people and is started with a small amount of capital. Most micro-enterprises specialize in providing goods or services for their local areas. (Investopaedia)

As per the Development Commissioner, MSME, Govt. of India, the capital should not exceed Rs. 25 lakh for a micro-enterprise. This is for administrative convenience.

- (3) Micro-enterprises commonly share certain characteristics like low fixed capital, low technology and a few workers. They come into existence out of either market-driven or non-market-driven sources. Market-driven ones are managed and controlled by the entrepreneurs themselves. In the case of market-driven enterprises, a government agency such as Kudumbashree or a NGO (such as TSSS, MSSS) plays an active role. These are fostered by the government or voluntary agencies as a part of poverty alleviation. For administrative purpose, Kudumbashree defines micro-enterprise as one in which:

- Investment ranging from Rs. 5,000 – 2,50,000

- Enterprise should have a potential to generate a net income of at least Rs. 1,500 per member per month
- Minimum turnover of Rs. 1,00,000 – 10,00,000
- Enterprise should be fully owned, managed and operated by the members themselves, preferably, women below poverty line families as entrepreneurs

For the purpose of this study, the definition given by Kudumbashree is accepted. Also, the study focuses only on non-market-driven micro-enterprise.

5. Management

- (1) Management is the application of knowledge, skills, techniques and systems to define, visualize, measure, control, report and improve processes with the goal to meet customer requirements profitably. (Wikipedia)
- (2) According to George R. Terry, "Management is a distinct process consisting of planning, organising, actuating and controlling and performed to determine and accomplish stated objectives by the use of human beings and other resources".
- (3) According to Harold Koontz, "Management is the art of getting things done through and with people in formally organized groups".

These definitions are relevant to the management of micro-enterprise and hence, relevant to the study.

6. Empowerment

- (1) Empowerment refers to increasing the economic, political, social, educational, gender, or spiritual strength of individuals and communities.

en.wikipedia.org

- (2) Empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes

web.worldbank.org/.../EXTEMPOWERMENT/0,,contentMDK:20272299~

- (3) Empowerment in its broadest sense refers to an individual's or group's increased "power." In a development context, it refers both to "internal" change within an individual's sense of self and autonomy, and "external" change in social status and basic power relationships in society.

<http://micro-financeandworldhunger.org/201/03/what-is-empowerment/#sthash.uTb7rRdS.dpuf>

7. Best practice

- (1) A best practice is a technique or methodology that, through experience and research, has proven to reliably lead to a desired result. A commitment to using the best practices in any field is a commitment to using all the knowledge and technology at one's disposal to ensure success. The term is used frequently in the fields of health care, government administration, the education system, project management, hardware and software product development, and elsewhere. searchsoftwarequality.techtarget.com/definition/best-practice

- (2) Best practices are usually outcomes of knowledge management. Best practices are the reusable practices of the organization that have been successful in respective functions.

www.tutorialspoint.com/management.../management_best_practices.htm

8. Neighbourhood Group (NHG)

It consists of women from 20 – 40 families and acts at grassroots level .NHG are the building block of the organisation. In each Neighbourhood Group from among its members, five Volunteers are elected for undertaking various functional activities. They are Secretary, President, Community Health Volunteer, Income generation activities volunteer and Infrastructure Volunteer.

1.7 The perspective

The study is conceived with a **gender perspective** of how an ordinary housewife who is controlled and dominated by her husband under the

patriarchal system of family life in Kerala “struggles” against socio-economic and familial constraints to generate surplus incomes through self-employment. The transition from being a typical housewife of a lower class family to becoming an entrepreneur and “manager” of a live business unit, taking risks on the way, to generate profit in a competitive market for her and her family – this will be the focal point of the study.

1.8 Sources and methods of data collection

1. The universe

It consists of all the micro-enterprise that are live and which are promoted by SHGs (governmental and non-governmental agencies) in Kerala. However, this study is limited to the enterprises in Thiruvananthapuram District due to time and resource constraints.

2. Type of study

There are two streams – one is **case study**. This is preferred to the survey method for the study of individual enterprises. The life-cycle approach was adopted in order to make the study holistic. The methods of inquiry consisted of interactive sessions using interview guides, observation of the actual day to day working of the enterprise, production-planning and control practices (PPC), maintenance of records, marketing strategies, financial management etc. The help of a business management consultant was made use of for all these assessments.

The other stream is the **statistical method** used for measuring the degree of empowerment attained by the group leaders. For this, a scale was developed, tested and validated. To understand the dynamics of the empowerment process undergone by these women, correlation analysis of dependent and independent variables was made.

1.9 Expected outcome of the study

The study will examine the mismatch (or match) between the competency required for managing the enterprise efficiently and generate surplus incomes sufficiently and in a sustainable manner and the typical housewife with her limitations in respect of formal education, demands of

household responsibilities, lack of skills in entrepreneurship and business management and crude ways of doing things.

Furthermore, the study will bring out the factors (variables) that contribute to the success of business enterprise and the negative factors that bring about the failure of the enterprise. The findings will help in redefining the strategies put in place for poverty reduction through gainful income generation activities.

Chapter II

Review of Literature

“A nation would not march forward, if the women are left behind”

- Swami Vivekananda

2.1 Introduction

In any society, the status of women is an indicator of the level of its development. Women constitute nearly half of the total population of the world. They are relegated to secondary position in the household, workplace, in governance and society in general. Women in many countries still lack the right to inherit property, own land, get education, obtain credit, earn income or work outside the home. They are still widely underrepresented in decision-making at the household or social level. Series of policy measures have been initiated and programmes implemented since the past three decades after UN's declaration of international women's empowerment. It is a multi-dimensional process, which enables the individuals to realize their full identity and powers in all spheres of life. Empowerment of women ultimately brings equal status to women, opportunity and freedom to develop. This also means, equipping women to be economically independent and personally self-reliant. Women empowerment is therefore, a dynamic process that consists of an awareness-attainment actualization cycle. (Ms.Lina George & Dr. KrishnaKumar)

2.2 Self-Help Group (SHG)

Self-Help Group is a self-governed, peer-controlled, informal group of people with similar socio-economic background and having a desire to collectively perform common purposes. It is a homogeneous group with low income, voluntarily coming together:

- to save whatever amount they can conveniently out of their earnings;
- to mutually agree to contribute to a common fund; and
- to lend to members for meeting their productive and emerging needs.

(Maya Sairoba Gaonkar, 2010)

Dr. Manabsen (1999) adds three more objectives namely:

- to have collective decision-making;
- to resolve conflicts through collective leadership and mutual discussion; and
- to provide collateral free-loans with terms decided by the group at market-driven rates

SHGs provide its members with opportunities to carry out socio-economic activities. Members can discuss the root causes of their problems and strive to find out and implement viable solutions. It is a forum for raising the collective voice of the poor against common apprehension and exploitation. It can improve their skills and capacities to manage resources.

SHGs are highly cohesive entities. Majority of the SHGs are of women only. The members may be having the same occupation. They may belong to the same caste; they may be living in the same village.

SHGs have emerged as one of the major strategies for the convergence of services and activities. They now focus mainly on:

- skill development for gainful activities
- awareness generation of their rights and privileges as citizens
- gaining access to credit from financial institutions for setting up micro-enterprise

2.3 A paradigm shift

The Self-Help Group - Bank Linkage Programme initiated by the National Bank for Agriculture and Rural Development (NABARD) in 1992 March was a watershed in the history of rural banking in India. Two decades of the SHG-Bank Linkage (SHGBL) has set at rest, the doubt about the bankability of the poor. The banks have reported 95% on-time repayment by SHGs across the country (Maya Sairoba Gaonkar, 2010). Many of the studies (Rajshekhar, 2000, Hasheni 1996, Kumaren, 2001, Khandekar, 1997 and NABARD 2002) reveal that increased availability of micro-credit to the poor through micro-financing of SHGs will enable rural households to take up larger productive activities, empower the poor women, decrease the dependence on exploitative local money lenders and increase savings. In this respect, the roles played by governmental agencies, NGOs and banks have been noteworthy.

The working of the SHG-Bank Linkage Programme has however, being constrained by some problems and challenges. Members of the SHGs have

to find out an economic activity that will yield a rate of profit necessary to cover the interest rate on the loan. Then, there is the problem of marketing of the produce or products. Unless, there is a proper marketing system, merely producing the goods could not help the sale.

2.4 In Kerala

Kerala Government has set up a State Poverty Eradication Mission on 1st of April, 1999. It has promoted a good number of SHGs of women under an attractive brand name, the Kudumbashree. Its strategy is, “to reach out the families through women and reach out the communities through families.” Women empowerment initiatives, micro-finance operations, micro-enterprise promotion, convergent community action constitute the core activities of Kudumbashree. (Murali Nair, Ralph Brody & Antony Palackal – 2007) This Mission is carried out through Kudumbashree women who are generally below the poverty line. The Mission designed community mobilization and social marketing programme with the faculty support of various management schools in Kerala and various strategies to provide massive training programs for the members of Kudumbashree.

Under Kudumbashree, the groups at the grassroots level are known as neighbourhood groups. The NHGs are federated into Area Development Society (ADS) at the Ward level and the ADSs are federated as Community Development Society (CDS) at the Local-self Government (LSG) level.

Kudumbashree till date (2013), has a membership of 37 lakhs of women belonging to the lower rungs of society and they have been organised into NHGs (2.58 lakhs), Area Development Societies (19,700) and Community Development Societies (1,072).

Similarly, the State Sasthra Sahithya Parishath, a prominent voluntary organisation of those who are interested in “every day science” has set up a good number of Samatha NHGs. And prominent NGOs in the State have set up a good number of SHGs/NHGs of women, men and mixed ones. Of late, a prominent political party has organised a large number of Janasree NHGs of women. Efforts at politicization of NHGs are going on overtly and covertly. Women have responded to the proliferation by becoming members of more than one set-up, thereby optimizing the support and benefits of several sponsors.

2.5 Income generation activities

Poverty alleviation, inter alia, is one of the prime objectives of promoting self-help groups. Inspired by the laudable achievements of Prof.

Yunis Muhammad in Bangladesh, SHGs in India focuses mainly on the employment and empowerment of women of the lower rungs of society. Hence, strong efforts are being made to promote and stabilize income generation activities among SHG women. It is obvious that this is not an easy task.

2.6 Micro, Small and Medium Enterprises (MSMEs)

The Govt. of India intends to boost domestic manufacturing (**Make in India**) and create new jobs. Its proposal to introduce a new policy for MSMEs deserves a closer look.

India's MSME sector has recorded more than 10% growth in recent years despite the economic slow-down. MSMEs contribute about 8% to the national Gross Domestic Product (GDP), employing over 8 crore people in about 4 crore enterprises and accounting for 45% of manufactured output and 40% of exports from India. (Sri. Charan Singh, RBI Chair Professor of Economics, IIM, Bangalore, quote from his article entitled "Made in India, by small enterprises" in The Hindu, dated, Sept. 26, 2014) Thus, the focus of the government on MSMEs at this juncture is justified, given their potential for providing growth and employment.

In view of the significance of the sector, the government had announced a number of measures. Some of the significant initiatives were setting up of Rs. 10,000 crore of venture capital fund and establishing a nation-wide, district-level incubation and accelerator programme for encouraging entrepreneurship. Other important budgetary announcements included establishing a network of Technology Centers; revising the definition of MSMEs for providing higher capital ceiling, friendly legal bankruptcy framework to enable easy exit, a programme to facilitate forward and backward linkages with multiple value chain of manufacturing and service delivery to be put in place and launching the **Skill India** movement with an emphasis on employability and entrepreneurship. A committee was also proposed to examine the financial architecture with a view to removing bottlenecks and creating new rules and structures for the sector. The Govt. of India recently inaugurated a holistic, innovative and low-cost National Small Industries Corporation's on-line e-commerce shopping portal for buying and selling of products produced by MSMEs.

Since 1948, successive governments had been making intense efforts to encourage MSMEs but the sector continues to be under stress. The office of Development Commissioner for MSMEs was set up in 1954 and a dedicated ministry for MSMEs in 1999. The Small Industries Development Bank of India (SIDBI), established in 1990 is the principal financial institution for promotion, financing and development of the MSMEs in addition to

commercial banks, State Financial Corporations and State Industrial Development Corporations.

Despite such efforts, some of the key problems faced by MSMEs continue to be related to:

- availability of technology
- availability of infrastructure
- adequate managerial competence
- limitations posed by labour laws, taxation policy, market uncertainty, imperfect competition; and
- low skill level of the work force

(Sri. Charan Singh, RBI Chair Professor of Economics, IIM, Bangalore, quote from his article entitled "Made in India, by small enterprises" in The Hindu, dated, Sept. 26, 2014)

As on 31st March, 2013, there are 2,19,444 MSME units in Kerala, of which 55,416 are owned by women. The industries under this sector include food processing, handloom, khadi, coir, bamboo, leather, rubber, plastic, handicrafts and the like.

2.7 Micro-enterprise

The term enterprise means a project undertaken or to be undertaken, especially one that is important or difficult or that requires boldness or energy. It can be a unit of economic organization or activity; especially a business organization. (Source: Merriam Webster) The term also refers to "industrious, systematic activity, especially when directed towards profit." (Source: The Free Dictionary by Farlex)

The word enterprise describes the actions of someone who shows some **initiative** by taking a **risk** by setting up, investing in and running a business. Look again at two key words above – **initiative and risk**.

A person who takes the **initiative** is someone who "**makes things happen**". He or she tends to be decisive. A business opportunity is identified and the person does something about it. Showing initiative is about taking decisions and being bold – not everyone is like that!

Risk-taking is slightly different. In business, there is no such thing as a "sure fire bet". All business investments carry an element of risk – which is the **chance or probability** that things will go wrong. At the worst, the risk of an enterprise might mean the person making the investment loses all his/her money or becomes personally liable for the debts of the business. The trick is to take **calculated risks**, and to ensure that the likely **returns** from taking a

risk are enough to make the gamble worthwhile. Someone who shows enterprise is an “**entrepreneur**”. (Source: tutor 2 u GCSE & IGCSE Business Studies)

The most widely publicised feature of SHGs is the setting up of micro enterprises (investment upto Rs. 25 lakh only) using local resources as well as skills. Micro-enterprise development is viewed as an opportunity for providing gainful employment to the people below poverty line and thereby, improving their income and living standard. Various commercial as well as co-operative banks are extending loans to SHGs for starting productive activity.

These enterprise groups are different from the NHGs or „Ayalkootams“. Members of the same SHG or from various NHGs in an area come together and form an enterprise group. These women go for training programmes related to their activity to upgrade their skills as well as to get introduced to new ventures where local demand is high. Thus, this programme aims at combining the local demand with local resources as well as skills to maximise local linkages. It implies development of managerial skills, productive and marketing skills which are important for the women to take decisions affecting their own productive activity and lives. Almost 97 activities are undertaken by the various Kudumbashree micro enterprise groups in the State and these vary from catering services, dairy units, hotels, ethnic delicacies, garment units, goat rearing etc.(Source: Research Paper on Micro Credit and Rural Market enterprise, Centre for Public Policy Research)

Micro-enterprise involves identification of innovative and creative activities suited to the specific environment in which the poor people are living, which try to solve the problems faced by the community and also by using the technological knowhow already available. Micro enterprise development is a means for empowering women, especially economic empowerment. These enterprises are carried out on a group as well as individual basis at the rural and urban areas in all districts of Kerala.

Enterprises promoted by the Kudumbashree Mission, category-wise, are given below:

Table No. 2.1

Enterprises: Category-wise

(December, 2011)

Category	Rural Enterprises	Urban Enterprises	Total
Individual	1,430	25,050	26480
Group	4,578	1,757	6335
Total	6,008	26,807	32,815

Source: Wikipedia(en.wikipedia.org/wiki/Kudumbashree)

Likewise, major voluntary organisations in Kerala such as Mitranikethan (Vellanad), Dale View (Punalal), The Trivandrum Social Service Society (TSSS) and its counterparts in other districts, Malankara Social Service Society (MSSS), Neyyattinkara Integral Development Society (NIDS) and such others in other districts have promoted SHG-based enterprises mainly for women.

2.8 Role of the sponsoring agencies

It is a fact that there is a place for basing decisions on intuition and using the native skills of the participants to develop marketable products. Much thinking and planning need to go into developing a service or product which has persistent demand in the market. This exercise should lead to a **written business plan** which discusses in detail, how the sponsoring agency intends to promote business units to be managed by its clients. By putting one's thoughts and writings he/she disciplines the thinking process and focuses on issues that need to be resolved.

To undertake an income-generating enterprise (IGE), it is essential that the individual or group prepares a viable business plan for several reasons: First, any request for start-up fund requires a well-developed business proposal which is **financially viable**. Then only, the business plan will be acceptable to the lender – be it a linked-bank or a governmental agency or a donor. Second, a close look at the **risks involved** in starting and managing the enterprise and how it is proposed to deal with them. Third, the agency has to anticipate **how** the product will be sold, **to whom** and **why** they should prefer this product to other similar products by other enterprises. To the extent possible, the group has to put everything in **quantitative term** so that the

progress of the enterprise could be measured. Putting numbers in a business plan will force the group to deal with the realities. The lending agency will also appreciate statistical projections in the proposal. Internal rate of returns is a must. It is obvious that the professional service of a business consultant is required for developing financially viable and organizationally feasible income-generation enterprises (IGE).

The consultant will be able to design appropriate induction training programmes for the members of the groups.

2.9 Elements of an Income Generation Enterprise

1. The objectives of the enterprise along with its title
2. The name of the SHG
3. Names of the group leader and the member-share holders
4. Location of the unit with address
5. Products/services proposed
6. The production/service process and the technology proposed (operational planning)
7. Quality control and standards
8. Anticipated market: who are likely to buy and the marketing strategies based on competition analysis
9. Financial management plan: expected expenses, incomes and balance/earnings
10. Risk analysis and mitigation measures
11. Anticipated time for achieving break-even
12. Expected growth of the enterprise within a stipulated time span
13. Group's reasoning why the IGE will be successful
14. Start-up funding needed and how it will be mobilized
15. Training needs assessment of the group and arrangement for conducting it
16. Generation and maintenance of records and their utilization for taking decisions
17. Monitoring and review system
18. Support system to be provided by the sponsoring agency

2.10 Empowerment as an objective

One of the objectives of promoting enterprises through SHGs is to empower the "powerless" housewives socially and economically so that they get liberated.

- (1) The concept “empowerment” refers to increasing the economic, political, social, educational, gender, or spiritual strength of individuals and communities. (en.wikipedia.org)
- (2) Empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes.
(web.worldbank.org/.../EXT**EMPOWERMENT**/0,,contentMDK:20272299~)
- (3) Empowerment in its broadest sense refers to an individual’s or group’s increased “power.” In a development context, it refers both to “internal” change within an individual’s sense of self and autonomy, and “external” change in social status and basic power relationships in society.
(<http://micro-financeandworldhunger.org/201/03/what-is-empowerment/#sthash.uTb7rRdS.dpuf>)

Empowerment is a process that addresses all sources and structures of power. The process has to work both at individual and collective level. Individually poor women cannot overcome powerlessness. They can do it only collectively. Hence, it is suggested that women have to be organised and have to be acknowledged as a socio-political force. It involves equal participation in decision-making, control over resources and mechanisms for sustaining these gains.

As indicated earlier in the introduction, women are, in general, subjected to a subordinate status in the family and in society. The patriarchal system prescribes a superior-subordinate status and relationship between men and women. Since the declaration of Human Rights and the Rights of Women(Beijing Declaration of 1995), massive efforts are being made by UN, governments, educators, voluntary agencies, writers, media and social activists to empower women through various measures such as education, legislation, membership in political parties, self-help groups, gainful employment and entrepreneurship. As a result, a good number of women belonging to the poor and vulnerable sections of society have emerged as leaders, public speakers, social activists, risk-takers and successful business achievers. This enrichment and empowerment is a process of personality development and achievement through planned activities under guidance. In other words, it is a process of **transformation** of very ordinary housewives into dynamic leadership, meaningful activities and achievements.

2.11 Review of studies

A good number of studies have been undertaken by scholars on the subject of SHGs, micro-enterprise and women empowerment. Shruthi Cyriac of the Centre for Public Policy Research, New Delhi has brought out a study entitled, "The Micro Credit and Rural Micro-Enterprise Scenario in Kerala: a Study on Kudumbashree". The author selected two of the enterprises of Kudumbashree groups for study: Nutrimix production units and Goat rearing units. The costs and benefits of these enterprises are studied in detail and the problems that these women face have been discussed in the report. The findings of the study are very impressive.

The report on Nutrimix unit contains a few valuable observations. All the women in the Kudumbashree NHGs want the job, but most of them are not able to go for the week-long residential training session and therefore, are disqualified from taking part in the enterprise (Nutrimix). The cost (of production) for units which do not have machinery are much higher even though their electricity cost will be lower. The Nutrimix Micro-enterprise is profitable only if the orders are in bulk and if the selling price is increased. The remuneration that they get for their work varies from unit to unit. Some of them obtain Rs. 100 for a day's work from 10 am to 4 pm. With drunkards as husbands and small children to take care of, most women found it impossible to attend the week-long residential camps. The transportation expense of the finished products is very costly and this system does not prove to be profitable. The provisions required for production (of Nutrimix) are not available at one single time which, in turn, forces the women to make more than the necessary number of trips to purchase the items and this hikes their transportation expenses. The shortage of staff (in Kudumbashree) at the district level is reflected here because ever since the old ADMC left office, no review meetings have been conducted. (There was no superior officer available for discussing the problems of the units) The provisions have become very expensive – almost 50% increase in the prices of some commodities has been seen. There is a need to subsidize the provision (by the Govt.) or increase the price of the product. The process of getting a license was too long drawn and this marred their efficiency level considerably (Venganoor, Aruvikkara and Kuttichal units). The Kuttichal and Poovachal Panchayath units mentioned the difficulty in getting the payment for their sales. Another observation was that most of these women are unaware of the bank dealings and therefore, apprehensive that they are being cheated or being made to overpay. Some of them are not aware of the interest that is being charged on the loan and also, how the subsidy system works. The units of Poovachal and Vamanapuram mentioned that getting finances from the

bank was a herculean task and that in dire situation, they were even forced to borrow from money lenders at very high interest rates and this is something which goes against the very principle of micro-finance.

Regarding the **goat rearing units** taken up for study by the same author, her observations are found to be very significant. On the whole, if details of the costs and benefits are analysed, it comes up to a big loss. But the surprising fact is the people are still willing to go ahead with it. The reasons for this are many. The women hardly look into the costs when they involved themselves in this enterprise. They feel secure when there are a few goats because it is something which can be sold off at a time of emergency. However, they feel too attached to the animals to sell them away. The amount spent on feeding the goats on a day-to-day basis is very high and there is a need to subsidise the fodder. Most women are not aware of the bank dealings. They feel that they are paying very high interest rates. The review meetings are hardly convened. The women feel that their problems are not being entrusted to the proper channels (authorities) and that what is necessary is not being done. Several Kudumbashree members could not attend the week-long training programmes

In the conclusion, the author has remarked that, “as the women got involved in micro-enterprise, the workload of the women increase as they were still in charge of household-related work.”

Reshmi. R, in her study on **Marketing Strategies of Kudumbashree Micro-enterprise** (2012) records that 64% of the respondents consider the (type of) **product** as the primary component of marketing mix, 15% consider **place** as the major component and 12% consider **price** as the major component of marketing mix. Regarding the marketing practice, 75% depends on personal selling, 19% on sales promotion and 4% depends on advertisement. It was found that 78% of the respondents get assistance from Kudumbashree in the marketing activities. It is inferred that the quality (of the product) is the most affecting factor to increase demand while brand name, colour, increase in size and advertisement do not have much role in increase in demand of the product. Supervising officials must ensure that they make visits to the enterprises more frequently, giving proper support system, clarifying doubts and proper guidance. Follow-up classes at Area Development Society level should be arranged for reinforcing the basic level courses. Proper guidance and communication must be given to the local authorities, semi-government organisations and government-aided institutions to purchase the products made by Kudumbashree units. The appeal of the

product can be enhanced by attractive packaging as well as the design of a logo for all Kudumbashree enterprises.

Ajith Kanitkar's study entitled, **Entrepreneurs and Micro-enterprises in Rural India** (1994) discusses the results of a study aimed at understanding the emergence of successful entrepreneurs and owners of micro-enterprise in rural India. Based on the case studies of 86 village-based entrepreneurs drawn from different regions of India, this article examines the socio-economic profile of the entrepreneurs, their motivation for shifting from an agriculture-based occupation to a non-farm activity, their approach to raising resources for their enterprises and the factors that facilitated entry of the village-based entrepreneurs into a business activity.

Bogaert and Das (1989) favour a "group approach – what they define as "group entrepreneurship". Based on their field experiences, these researchers suggest that many of the income-generating schemes targeted at the rural poor have failed miserably since the programme focused on an individual beneficiary. They advocate a different strategy namely, "group entrepreneurship", inculcating entrepreneurial characteristics among a group of people.

S. Galab N. Chandrasekhara Rao in his study on **Women's Self Help Groups, Poverty Alleviation and Empowerment (2003)** examines in detail, the formation, functioning and impact of SHGs on women with focus on two aspects namely, poverty alleviation and empowerment. Regarding women empowerment, three dimensions are considered (Ranjani et al 2002). They are "power to", "power with" and "power within".

Roni Strier and Ziad Abdeen (2009), in their article, published online, examines 60 in-depth interviews with low-income Palestinian and Israeli Jewish women (aged 25 – 45 years) who are engaged in micro-enterprise. The research particularly focused on women's motivations, personal qualities required for success, systemic barriers and opportunities and women's constructions of micro-enterprise as a means to overcome poverty and achieve gender equality. The purpose of the study is to highlight the importance of local voices and context in the analysis of social policy. In the light of these goals, the present study is guided by four underlying research questions: First, what are the motives and expectations of Palestinian and Israeli low-income women to get into micro-enterprise business? Second, what are the perceived personal qualities required to succeed? Third, what are the perceptions of the systemic barriers and opportunities to developing micro-enterprise? Fourth, how do participants assess the effectiveness of

micro-enterprise as a tool to overcoming poverty and achieving gender equality? The responses are interesting. Regarding expectations from micro-enterprise: “it will improve my family income and family status as well as my status in society.” In addition, the economic initiative seems to respond to a need for personal expressions and a desire to gain more control over their lives. Twenty Israeli women (20/30) explained that the real meaning to their enterprise was to find a way to escape from labour market hardship. For these Israeli women, their business meant an outlet to express their needs, as individuals and as women — needs which were repressed in their former position as low income employee in the labour market. Israeli participants expressed not only a strong desire to reject the oppressive-gendered nature of the paid-labour world but also the conviction to create a work environment in which values perceived as feminine are not devalued. These women explained their decision to start up a business in “push” terms, namely, as a means to find a personal solution to the oppressive nature of low income female jobs. An Israeli mother of two children who is operating presently a home business in graphics burst out, “Why should I work as an employee,....Why do I need someone else, beside my husband to be my boss, to tell me what to do....Why should I share the fruits of my work with someone else, especially when I am the one who does most of the work....Besides that, when you are an employee, you should play low profile otherwise the boss cuts your wings....”A Palestinian mother of three children who is engaged in food catering project pointed out that “I see, society is made up/composed of many layers. The most important is the family layer. I feel strongly that opening a micro-enterprise will contribute to my family’s needs and well-being....This in turn, will offer me the needed status (respect and appreciation) in society whereby I can contribute to my surrounding neighbourhood”.

Sarngadharan and Beigum Resia (1995) studying the institutional support and problems faced by women entrepreneurs in Kerala confirm that women entrepreneurs confront numerous problems like outside financial support being meager, marketing, purchase of raw materials, competition from larger units, slackness in demand as major problems in promoting and running their enterprises.

In general, it is found that most of the studies on SHGs, micro-enterprise and empowerment of women are focused mainly on Kudumbashree. Similar activities of the major voluntary agencies in Kerala are almost ignored by scholars. Another lacuna noticed is that the focus of the studies is more on the empowerment aspect than on the “struggle” of these

women in managing the enterprises. This study is focused on the struggle itself.

Rao, C.H. (1995) assessed the factors that impede and slowdown the process of entrepreneurial development among women in the backward mandals of A.P. as (a) poor financial status (b) lack of cooperation from the family and society keeping them away from mainstream development (c) illiteracy.

The study by Nair (2006) reviewed the strategies and approaches in training women entrepreneurs in the Indian rural sector. The review stresses the incorporation of gender in policy making and implementing agencies as gender has a direct bearing not only on the access to resources and the ability of individuals to realize their productive potential but also on the entire socio-cultural fabric of societies. The nexus between gender and economic deprivation is so complex that policies and schemes addressing these issues need to be extra-sensitive and flexible to the social and cultural ethos of the rural communities before settling on to resolve their economic problems.

2.12 Conclusion

The theoretical background of the study is obvious. The group dynamics of SHGs socializes the kitchen-bound women of families which are economically and educationally marginalized. The forum provides ample opportunities for mutual education through interactive sessions and also formal training programmes frequently offered by the sponsoring agency. Thrift and savings provide the basic lessons in money management. Link-banks make them bankable. Micro-enterprise open-up opportunities for risk-taking, decision-making, problem-solving and management of production, marketing and earning profit. The sum total of all these meaningful activities is the enrichment of the personality of the women leading to their empowerment and self-management. This study examines the chemistry of this evolution process towards a symmetrical family roles and relationships overcoming the traditional gender-bias and subordination.

End notes:

1. Ms.Lina George & Dr. KrishnaKumar - Micro Finance For Socio-Economic Empowerment of Women – A Study of Stree Shakti Programme in the State of Karnataka
2. Shruthi Cyriac - "The Micro Credit and Rural Micro-Enterprise Scenario in Kerala: a Study on Kudumbashree

3. Reshmi. R - Study on Marketing Strategies of Kudumbashree Micro-enterprise (2012)
4. Ajith Kanitkar - Entrepreneurs and Micro-enterprises in Rural India (1994)
5. S. Galab N. Chandrasekhara Rao - Study on Women's Self Help Groups, Poverty Alleviation and Empowerment (2003)
6. Murali Nair, Ralph Brody & Antony Palackal – Grassroot Development Establishing Successful Micro-enterprises Kerala Experience (2007) – Human Networks Publication, Cleveland, Ohio 44139, USA
7. Maya Sairoba Gaonkar – Financing of Self-Help Groups by Commercial Banks (2010) – Serials Publications, New Delhi (India)
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Chapter III

Design of the study

3.1 Type of study

There are two streams – one is **case study** and the other is statistical analysis.

Case study, through reports of past studies, allows the exploration and understanding of complex issues. It can be considered a robust research method particularly when a holistic, in-depth investigation is required. Recognised as a tool in many social science studies, the role of case study method in research becomes more prominent when issues with regard to education (Gulsecen & Kubat, 2006), sociology (Grassel & Schirmer, 2006) and community-based problems (Johnson, 2006), such as poverty, unemployment, drug addiction, illiteracy, etc. were raised. One of the reasons for the recognition of case study as a research method is that researchers are becoming more concerned about the limitations of quantitative methods in providing holistic and in-depth explanations of the social and behavioural problems in question. Through case study methods, a researcher is able to go beyond the quantitative statistical results and understand the behavioural conditions through the actor's perspective. By including both quantitative and qualitative data, case study helps explain both the process and outcome of a phenomenon through complete observation, reconstruction and analysis of the cases under investigation (Tellis, 1997). (Reference -Case study as a research method, Zaidah Zainal, m-zaidah@utm.my Faculty of Management and Human Resource Development, Universiti Teknologi Malaysia)

Case study is not mere story telling. The investigation is focused on and directed by the objectives declared and the outcomes expected. The methodology consists of:

1. Collecting and examining all documents related to the unit of study namely, the problem and the problematic individual, group, institution or community;

2. The researcher can choose several techniques for data collection such as unstructured interviews, interactive sessions, personality test, games, transactional analysis, experiments and observation.
3. Unlike the survey method, case study analyses the feelings and emotions of the respondents and also their body language for diagnostic understanding;
4. Collateral information about the respondent is collected from his/her parents, siblings, neighbours, teachers, employers, co-workers etc;
5. In surveys, we collect tit-bit information about large number of people but in case study, we collect full information from small number of people – a holistic approach.

The other stream is the **statistical method** used for measuring the degree of empowerment attained by the group leaders. For this, a scale was developed, tested and validated. To understand the dynamics of the empowerment process undergone by these women, correlation analysis of dependent and independent variables was made.

3.2.1 Pilot study

A detailed pilot study in the field was initiated in last May, with the following objectives:

- To collect basic data regarding the enterprises promoted by SHGs from the sponsoring agencies such as Kudumbashree and the NGOs such as the Trivandrum Social Service Society (TSSS), Malankara Social Service Society (MSSS) and the Neyyattinkara Integral Development Society (NIDS) in order to gain an overview of the income generation activities engaged by women.
- About 10 successful enterprises (based on standard parameters) are to be identified for in-depth **case study**. Likewise, 10 failing or failed units are to be located (Purposive selection of samples suitable for the study).
- To undertake inter-active sessions with a few of these women entrepreneurs so that relevant and realistic questions could be framed for developing appropriate tools for data collection.

- Enterprise-related records have to be gone through for assessing the “business health” of the units.

The study team visited the offices of the agencies mentioned above and collected a list of consistently successful units and failed/failing units. The officers were very helpful in providing an overview of the enterprises promoted by them, the teething troubles encountered and the supporting system put in place.

The team visited the following units:

1. Matha Vanitha Swayam Sahaya Sangham, South Kollamkode, Pozhiyur. Group leader Smt. Mable
2. Deepam Unit, Venkulam, Nellimoodu. Group leader Smt. Prabha Kumar

Discussion with the team leaders and members were according to tentative interview guide prepared by the team. Information required for developing the tools for data collection was obtained. Accordingly, details of the methodology were worked out and given below:

3.2.2 Universe of the study

As indicated earlier, the universe consists of all the micro-enterprise that are live and which are promoted by SHGs (governmental and non-governmental agencies) in Kerala. However, this study is limited to the enterprises in Thiruvananthapuram District.

3.2.3 Unit of study

The individual enterprise that is live and prosperous and that which is failing or have already failed.

3.2.4 Selection of samples

For the purpose of this study, the units are classified into those which are promoted by Kudumbashree and the voluntary agencies. Selection of units is limited to those in Thiruvananthapuram District. The size of the sample stipulated is twenty - ten successful units and ten failing or failed units. Broadly, the criteria adopted for selecting the “successful” units are:

- (1) Units which maintain correct statement of incomes and expenditures and the annual balance sheets/audited statement of accounts
- (2) Units registered as micro-enterprise with DIC through the sponsoring agency
- (3) Units that have availed of loans from banks which are linked with their SHGs.
- (4) Successful units are those which have been generating profits consistently for the past 3 – 5 years
- (5) The unit should be housed in a separate work shed with all necessary facilities and amenities for production, storage of materials and finished products etc.
- (6) The unit should be owned and managed by an individual member of an SHG or by a group of members
- (7) The unit should have regular production and marketing of the products
- (8) The member or members involved in the working of the unit should be getting regular wages/a share in the profit.

These parameters indicating the **success** of an enterprise are developed through a series of consultation with the proprietors/managers of seven small-scale industrial units in Pappanamcode Industrial Estate, Trivandrum. (Please see Appendix)

The study team during its first and second visits could not identify “successful” units according to the criteria listed above. Visited 50 and odd live units and found them neither successful nor failing units. They are **live** because they are working, producing consumables but on a low key with low returns. There is no way of categorising them into successful or failing units because they exist for more than three years. Hence, out of this 50, 20 were selected randomly as samples for case study – 7 from Kudumbashree, 4 from Malankara Social Service Society (MSSS), 4 from Trivandrum Social Service Society (TSSS) and 5 from Neyyattinkara Integral Development Society (NIDS).

Care was taken to select units of different products as shown below:

Table No. 3.1

Products of Enterprises

Sl. No.	Name of the Enterprise	Products	Main Product
1	Matha Vanitha Swayam Sahaya Sanghom, Pozhiyur	halwa, mixture and achappam	halwa
2	Navajyothi, Parasuvackal, Neyyattinkara	lotion, washing soap, toilet soap, dolls, umbrella, candle, food products, fashion designing and embroidery works	candle
3	Kairali, Kuttiyani	washing soap, toilet soap, face pack powder, washing powder, dish wash powder, lotion, curry powder	face pack powder
4	Greenland, Payattuville	copra	copra
5	Bethesta Activity Group, Payattuville	palmyra leaf-based fancy products: ordinary cap, cricket cap, pencil holder, purse, waste box, different types of baskets	
6	Sneha Vikalanga Leather Bag Unit, Cheruvarakonam	school bag, big-shopper, umbrella and candle	rexin bag
7	Karunya Swayam Thozhil Enterprise, Santhivila, Nemom	paper bags of different types and sizes, cloth bag, file folder, writing pad and rexin bag	cloth bag
8	Matha Garments, Thiruvallom	tailoring unit: nighty, churidar, pavada and blouse	tailoring
9	Surya Weaving Enterprise, Perumpazhuthoor	dhota (double mundu)	dhota
10	Navajeevan, Uchakada	toilet soap, washing soap, lotion and washing powder	washing powder
11	Jerusalem, Kannanthura	Banana chips, papad, chattiappam, cake and candle	candle
12	Kavyakala, Chullimanoor	Dress and ornaments for dance	Dress and ornaments for dance
13	Lovely Enterprises, Pavathiyavila, Parassala	big-shopper, jewelry box, purse, cell phone cover	bag and purse
14	Techno world Digital Technologies, Kumarapuram	computer work	computer work
15	Deepam Thozhil Unit, Amaravila	Handicrafts such as mat, baskets of different types and sizes, lower-vase, pencil box, water pot and fancy items	all these products
16	Matha Flour Mill, Vattiyoorkavu	service	service
17	Real Tech Two-wheeler Driving School, Puthukulangara, Varkala	training in driving	service

18	Carmalamatha Vanitha Vedi, Puthukulangara	copra-based coconut oil	coconut oil
19	St. Mary's Tailoring Unit, Vennicode, Varkala	Tailoring	tailoring
20	Peniel Activity Group, Valiathura	sweets, cake, wine and different types of pickles	sweets, cake, wine and different types of pickles

Obviously, case study has three dimensions: it looks into the past, critically examines the present as the child of the past and predicts the future status and its sustainability. The study team looked into the genesis of the units, their teething troubles, survival strategies, discipline in financial management, quality control, marketing strategies, team work and leadership, the support system offered by the sponsor, the structure and division of labour of the enterprise, maintenance of accounts and records – in other words, the positive and negative variables that have been activated in the management process were analysed.

3.2.5 Sources and methods of data collection

1. An **interview session** with the share-holders/workers of the enterprise in order to get an overview of the unit – its genesis, growth, production process, products, quality control, marketing and the profits generated. An **interview guide** was prepared for the purpose.
2. **Observation** of the work shed, facilities, production process, quality control, packaging etc. For this, an **observation guide** was prepared.
3. Contrary to the expectations of the study team, most of the units did not allow the team to examine their accounts, payment register, attendance register, monthly sales turnover, profit and loss statement, minutes of review meetings, bank transaction records etc. Non-availability of the records has deprived the study of essential data regarding the true financial status of the enterprises.
4. Enquired about their expansion plans for the unit and examined their feasibility. A questionnaire was administered to each group leader in order to assess her leadership qualities, knowledge of management and skills and the level of **empowerment** attained, from a **gender perspective**. Statistically, these were measured.

5. Tried to assess the impact of the increase in their incomes on their families and their standard of living.
6. Interview sessions with the representatives of the sponsoring agencies regarding the support system provided by them for the enterprises. Adequacy of the support system was examined critically.

The tools developed (See Appendix - F) were pretested on a small sample and finalized them with a few changes.

3.2.6 Statistical techniques

There is need for utilizing statistical techniques for two purposes. One is to develop a scale for assessing the degree of empowerment attained by the group leaders of the enterprises. The other is to examine the variables and their correlations that contribute to the empowerment process of these women.

3.3 Data analysis and interpretation

Being a case study, qualitative analysis was done with appropriate facts and figures. The analyses were objective-based and to find answers to the basic research questions. Data were interpreted as per business management theories, principles, concepts and strategies.

3.4 Limitations of the study

1. It took more than three months and several repeat visits to the 20 enterprises selected as samples for data collection from Thiruvananthapuram District. Still, some vital data are missing since almost all of them are reluctant to reveal the truth about the current functional status of their enterprises. In spite of several requests by the study team, almost all these groups refused to hand over their approved project proposals, statement of accounts and other records related to weekly/monthly output, payments made to the group members as wages and share of the profits (if generated) during the week /month and the repayment status of the loans availed of from the link-banks, minutes of review meetings held etc for perusal. Such records or data are not maintained by the sponsoring agencies also. Not even a copy of the original project proposal submitted to the sponsoring agency/bank for its approval. The investigators have no means of verifying the truth of what they stated during the interviews. The study team admits failure in this respect.

2. Another limitation is that the study is confined to the SHG enterprises in Trivandrum District only. It was found difficult to classify the units into successful ones and failing ones. All the 20 units selected for study are live units but of low profile, generating low surpluses, responding mainly to orders received and a little bit active during festival seasons. Seems to be a leisure time activity of small groups of women which generates surpluses up to Rs. 2000 + per month – just a supplementary income for the family.
3. Being a case study of 20 enterprises, **generalization of the findings** is not appropriate since the sample is very, very limited.

Chapter IV

Functional Status of the Enterprises: An Analysis

“Money, says the proverb, makes money.
When you have got a little, it is often easy to get more.
The great difficulty is to get that little. “

- Adam Smith

4.1 Introduction

In this chapter, data collected from 20 enterprises of women are presented. Facts and figures regarding the units were collected through interactive sessions with the group members, using a detailed interview guide (Appendix F). Along with the main questions, appropriate sub-questions were raised by the study team but information sought for, could be obtained only partially with some difficulty.

The team could observe how they work, the working conditions, the products – their appearance, size, packing and had the taste of a few food items. Out of the 20 units, 13 have work sheds with the required facilities. Without any exception, the “office” of the units are all situated in the houses of the group leaders. Invariably, almost all the houses have a room or spacious verandah to serve as the office for undertaking transactions. Furthermore, most of the leaders are vested with full powers to handle money, maintain records, accounts, operate bank transactions, purchase of raw materials, sales and make payments. The team work is admirable without any troubles created by sub-groups or cliques. Those who disagreed with the leadership in the past were compelled to drop out.

However, resistance from the groups arose when the study team requested, for first hand examination, of the documents related to the enterprise – the approved project proposal, registration certificate, accounts book, minutes of the review meetings, bank passbooks, sales book etc. and they politely but firmly refused the team to have even a glance at them. In this context, the study team has to believe whatever they say as the “truth” about the working of the enterprises. Appeals to the higher authorities of the sponsoring agencies including the Kudumbashree Mission for an official directive to these units to permit the study team have a direct look at the

records were ignored. Lack of statistical data from the records regarding the functioning of the units, their business transactions, current financial status is a **serious lacuna** of the study.

Except two, the others do not have any name boards. None of them have any letter heads worth mentioning nor offer any receipts for payments received. It seems that the business deals are almost very **informal**.

The analysis is done within the theoretical frame work of a typical micro-enterprise – its goals and objectives, motivation for generating profits, its principles and methods, the management process and risk-taking. These units being initiated and supported by powerful sponsoring agencies (SAs), the risk element is mitigated to some extent.

4.2 Profile of the enterprises

4.2.1 Matha Vanitha Swayam Sahaya Sanghom

Grace house, Pozhiyur

1.0 Introduction

This is a self-help group of women consisting of 14 members. One of the policy stipulations of Trivandrum Social Service Society (TSSS), the sponsoring agency (SA), is poverty alleviation through appropriate income generation activities.

In 2010, during the Onam season, a big Onam market was organised by the local church – St. Mathews Church and exhorted the SHGs in the Pozhiyur area to participate in it. In response to this invitation, the members of the Matha SHG Group took a decision to prepare a few food items such as halwa, mixture and achappam. Smt. Mable, the group leader took the initiative and provided kitchen facility in her house. Her husband Sri. M. Baby Das who was in Gulf at that time gave his nod. This was a great motivating factor and Smt. Mable strongly activated the group to take up the task of production seriously within the stipulated time frame.

It was a great success. The halwa became the favourite delicacy among the customers. Naturally, the group earned good profit and reputation among the neighbourhood families. The credit primarily goes to Smt. Mable because she was an expert in preparing halwa. She knows its chemistry from her grandmother.

The handsome profit obtained stimulated them to think on business lines. At the next meeting of the group, they took a decision to set up a production unit and go commercial. It was indeed a bold decision. It was also decided to seek the consent of their spouses before launching the unit. Also, the formal approval of TSSS. They gained both and launched the production unit in February 2010.

2.0 Educational status of the members

Of the 14 members, two are post graduates, three are degree holders and the rest (except one) are Xth Std. and above. Only one is below this. TSSS has not given them any training in entrepreneurship or business management. But, being educated, the members have absorbed the fundamentals through reading, observations and practical experience.

Table No. 4.1

Educational status of the members

Sl. No.	Educational Status	No. of Respondents
1	III Std.	1
2	IV Std.	1
3	SSLC	4
4	PDC/Plus Two	3
5	BA/B.Sc	3
6	M.Sc	2
Total		14

Among the Degree-holders, two have passed the B.Ed. Course. Due to various reasons, they could not secure regular employment, commensurate with their post-graduate/professional qualifications. It is obvious that this group could be given in-depth training in business management.

3.0 Mobilisation of capital

To begin with, they took Rs. 10,000/- as loan from the SHG itself without any hassles. This served as the seed money. They procured utensils and other tools and also the raw materials such as rice/wheat powder, sugar, oil, coconut, cashew nut and launched the products - blackhalwa, red halwa and white halwa in a big way on a commercial scale. Meanwhile, TSSS provided Rs. 3,00,000/- as soft loan. From the profit generated, each member came forward to invest Rs. 6,000 as her share amount.(Rs. 6,000X14 = Rs.84,000) At present the unit has a saving of Rs. 1,50,000/- All these indicate that this enterprise is sufficient in respect of working capital.

4.0 Work arrangement

There is some sort of division of labour among the members: procurement of raw materials of good quality from local or distant markets, financial management, accounting and maintenance of records, obtaining orders for halwa and distribution and the task of mixing and cooking the ingredients and overall supervision by Smt. Mable. All these as per common sense and work experience.

5.0 Quality assurance

Members of the group are fully aware that the sustainability and success of the business fully depends upon the quality of the product in terms of hygiene, sanitation and taste. While the bakeries in the neighbourhood – there are four of them, use palm oil for preparing halwa, this group uses only coconut oil which enhances the taste. On the other hand, palm oil increases the shelf- life of the product but, reduces its taste. Smt. Mable is highly quality-conscious and hence, makes no compromise on the quality.

The consignment of halwa prepared for Easter celebration in April 2013 was found to be of poor quality. On enquiry, the proprietor of provision stores confessed that the quality of the jaggery supplied by him was very poor due to adulteration. The group had no hesitation to take a decision that the consignment need not be marketed even though there was a loss of about Rs. 7,000/-. The product's good will among the customers was considered to be more valuable than Rs. 7,000/-

6.0 Marketing

The current strategy is to accept bulk orders for the product and during festival times, wedding seasons and family functions. The group does not accept orders of bakeries because the latter insist on using palm oil. Even otherwise, there is no dearth of orders.

7.0 Income, expenditure and balance

Table No. 4.2

Income, Expenditure & Balance

(Sept., Oct. & Nov. 2014)

Sl. No.	Month	*Expenditure (Rs.)	Income (Rs.)	Balance (Rs.)
1	September	8,100	11,900	3,800
2	October	7,100	11,400	4,300
3	November	8,900	14,100	5,200

*Expenditure includes wages taken by the members

8.0 Earnings

On an average, the monthly earnings(wages + share in the profit) range between Rs. 2,000 – 3,000 depending upon the number of days the member worked. Work is scheduled as part-time: 4 – 5 hours per day. This is the time required for the production of a consignment of halwa. In addition to the wages, a share of the profit will also be given. As bonus, Rs. 1,000/- is distributed to every member at the time of Christmas.

9.0 Monitoring and review

There is no formal, prescribed system. It is carried out in an informal manner. Minutes of meetings are not prepared. The major lacuna is the absence of fixing target of income through business to be generated for the next month.

TSSS has appointed an Animator to supervise the functioning of the unit. She visits occasionally and discusses with the group. Minutes of these meetings are not maintained.

10.0 Maintenance of records

The following documents were gone through by the team:

- Registration (certificate) under the Travancore Cochin Charitable Societies Act. Regn. No. T418/10 dated, 17/03/2010
- Minutes book of meetings
- Savings register
- Loan recovery register
- Weekly deposit register
- Account book

The accounting system of incomes and expenditures is very systematic. The study team examined the balance sheets and found them quite satisfactory. There is transparency in all money transactions thanks largely due to the team leader.

11.0 Repayment of loan

The repayment of the loan of Rs. 3,00,000/- from TSSS is almost over. Records indicate that only two installments remain – about Rs. 5,000/ only. The repayment is made from the profits generated.

12.0 Analysis and inferences

The analysis and interpretation is done on the basis of the principles and norms of modern business management. The **positive factors** (variables) that contribute(d) to the success and prosperity of this halwa-making enterprise are:

1) Leadership

Smt. Mable is providing dynamic and meaningful leadership to the group, thereby ensuring team work and discipline. She determines and guides the chemistry of halwa-making. It was she who conceived building up a micro-business with halwa as the main product. Putting the family kitchen at the disposal of the group in 2010 was a decisive step. Hers is a dominant style of leadership. She combines in herself both entrepreneurship in taking risks and business management (in an informal style) for generating profit. But she needs the help and direction of business experts in streamlining the present management process and carry the unit forward to the next stage and generate more incomes. There is need for product diversification. TSSS should take the initiative in this respect.

2) Quality management

Some sort of total quality management practices have evolved and are maintained for the halwa produced. The group is unwittingly conscious of the importance of quality of the product and the satisfaction of the customers for the sustainability of the enterprise.

3) Support of spouses

Without exception, the husbands of all the 14 women are supportive of the efforts of the group. There are no gender-based inhibitions. For the success of enterprises started by women in the Indian cultural context, this type of support is a must.

4) Transparency

The magical power of transparency in all dealings especially financial is evident in the behaviour of this group. This unity is its asset.

5) Role of the SA and other factors

This halwa enterprise is the result of an instruction given by SA and the local church authority to participate in the the Onam market with some products. This invitation generated the idea of starting the enterprise and subsequently, the provision of Rs. 3,00,000/- by SA. Incidentally, Smt. Mable's grandma has also contributed to the selection of halwa as the main product on which the enterprise is conceived and developed. The most important contributory factor is perhaps, the SHG set-up which has brought a bunch of women together – Christians, Muslims and Hindus and enabling them to team-up into an enterprise.

7) Project proposal

Except submitting a formal application for permission and financial support to SA, no project proposal in its true sense has been prepared nor was it insisted upon by SA. In other words, there is no document to guide or control the activities and the finance. Not even business targets. Everything is informal – typical housewife's style of management.

8) The way forward

A group discussion of the nine members present at the venue was conducted with a view to enable them formulate a development plan for the enterprise. In fact, they had already envisaged the next step namely, to mechanise the production process to the extent possible. To the question, why they wanted to mechanise, their responses were:

- The production of halwa could be increased so that the total sales-return could be correspondingly increased
- The drudgery of kitchen work could be reduced considerably
- Employment opportunities for more women could be increased

They had already worked out a budget for this expansion. The unit needs a loan of Rs. 5 – 6 lakhs. TSSS is reluctant due to

paucity of funds. The local panchayath also is not willing to help them with such a loan.

The overall profile of the enterprise is that it is a stable and successful one, thanks to strong leadership and team management. Transparency in all dealings is the inherent strength of the unit. For a team of 14 members, the business turnover is very insufficient. The unit has to enlarge itself through more business and higher income generation. TSSS has to look into this matter.

4.2.2 Navajyothi

St. George, Kudaivila, Parasuvackal,
Neyyattinkara

1.0 Introduction

Navajyothi was started in April 2005. The initiative for promoting it was taken by Fr. Shaji, Sri. N. Devadas and Smt. Pushpalatha of NIDS. No formal project proposal was prepared. NIDS do not generally insist on submitting it.

The main products envisaged during the initial stage were lotion, washing soap, toilet soap, dolls, umbrellas, candles, food products, fashion designing and embroidery works.

Due to teething troubles, poor management and failure in marketing, the enterprise started declining and presently, the work is confined to the production and sale of candles alone and only five members out of 11 are actively involved in it. NIDS has provided skill-training in candle making.

2.0 Educational status of the members

Table No. 4.3

Educational status of the members

Sl. No.	Educational Status	No. of Respondents
1	III Std.	1
2	V Std.	2
3	VIII Std.	1
4	SSLC	5
5	PDC/Plus Two	2
Total		11

The Table indicates that most of the members are sufficiently qualified to undergo training in the basics of business management of a typical micro-enterprise. The plus point is that they are all trainable. But NIDS failed to recognize their potential abilities and activate them.

3.0 Mobilisation of capital

NIDS provided a loan of Rs. 20,000. The group also obtained Rs. 5,000 as grant from the Vanithavedi. However, members of the group have not, till date invested any capital. The total investment is about Rs. 25,000 and its repayment in installments is being done.

4.0 Work arrangement

It is conceived as part-time work of the members who are basically housewives. Production of candles is decentralized. They are made in the households by the members and their children and are pooled together for sale. The work is done manually and the tools necessary for work are made available as and when required. Raw materials such as wax, colour pigments, thread (wicks) are purchased regularly from the Kottar market in Nagercoil which helps them save 20% of the cost charged in Trivandrum market.

5.0 Quality assurance

Special care is taken to maintain the prescribed quality standard of the various types of candles so that they are acceptable to the customers.

6.0 Marketing

Production of candles is limited according to the orders received from customers. Occasionally, orders for candle are solicited among the neighbourhood communities and church authorities.

7.0 Income, expenditure and balance (2014)

Table No. 4.4

Income, Expenditure and Balance

Sl. No.	Month	*Expenditure (Rs.)	Income from sales (Rs.)	Balance (Rs.)
1	September	5,500	8,200	2700
2	October	2,650	4,000	1350
3	November	5,500	10,000	3500

*Expenditure includes wages taken by the members

8.0 Earnings

According to Smt. Stella, the group leader, at present, each member of the group earns about Rs. 2,000 per month. But, she doesn't maintain a payment register or she may be reluctant to hand it over to the study team for examination. Taking into consideration, the present declining status of the unit and the single product business, it is difficult to accept that the members are earning Rs. 2,000 per month.

9.0 Monitoring and review

There is no systematic monitoring and review practice. The Animator occasionally visits the unit.

10.0 Maintenance of records

The group leader refused to produce the records for perusal. Virtually there is no financial management system. Account books are not maintained at all. Payments are not recorded. No auditing. Hence, one cannot judge whether it is a profit-making unit or not.

11.0 Analysis and inferences

It is obvious that Navajyothi is a **failing** unit. The beginning was very colourful and promising with a variety of products on the anvil and days of hectic business activities. But soon, the enterprise lost its momentum and started declining. Out of the 11 members, only 5 remain at present. Presently, there is only one product (candles) and that is limping forward with great difficulty.

Poor supervision, guidance and monitoring of NIDS are primarily responsible for this failure. It is true that the NGO at the initial stage arranged training in trade skills for making lotion, washing soap, toilet soap, fashion designing, umbrella and candle-making but no training in managing the complexity of business enterprise. There is no insistence on keeping records of financial dealings – buying and selling, payment of wages, internal auditing and external auditing, auditing by NIDS and preparation of monthly and annual balance sheets. It is all mental accounting and auditing. There is no performance appraisal of the enterprise, not even a well-defined project proposal.

The present leadership has to improve a lot in respect of knowledge in business management and skills; should have a forward-looking perspective. Depending upon a single product namely, the ubiquitous candle will not financially sustain the unit. Other products which could be easily produced

and marketed in the neighbourhood households should be carefully selected and produced. Strong initiative in this regard has to come from the sponsoring agency. The members of the unit have to be trained in the basics of business management.

In the beginning, there were 11 members and a host of products were listed for production. There was ambition and expectations. It seems the project never took proper shape with appropriate business activities and practices. It manifested signs of sickness and 6 of the 11 members gradually left the enterprise. The sponsoring agency ought to have taken note of these warning signals and initiated appropriate corrective steps in time, for arresting the decline. It failed in this respect.

4.2.3 Kairali

Mannoorkonam,
Kuttiyani, Pothencode

1.0 Introduction

This is a unit started in 2007 by a Kudumbashree group with support from the local panchayat. There are 13 members and the products are washing soap, toilet soap, "Sundari" face pack powder, washing powder, dish wash powder, lotion and a variety of curry powder such as chilly, coriander, turmeric, sambar, meat masala and chutney. Small-scale production only as per requirements.

2.0 Educational status of the members

Table No. 4.5

Educational status of the members

Sl. No.	Educational Status	No. of Respondents
1	Without any formal education	2
2	VII Std.	1
3	IX Std.	5
4	X Std.	3
5	PDC/Plus Two	2
Total		13

Except two, the rest are literates and above which means they could be trained in modern business management practices in handling micro-enterprise.

3.0 Mobilisation of capital

The members have contributed Rs. 85,000 so far (equal share) and from the panchayath Rs. 22,000 as matching grant. Total: 1,07,000 They have not availed of any bank loan so far since the capital is found to be sufficient.

4.0 Work arrangement

The products are categorized and the production of each category is undertaken by one or two households. Production work is supervised and coordinated by a small team consisting of Smt. Sobhana Joy (Member of the local Area Development Society), Smt. Sobhana Kumari and Smt. S.D. Sheeja (group members). They work part-time. There is some sort of division of labour on rotation basis. Two members each will be in charge of production, marketing, procurement of raw materials and maintenance of accounts. Each group has to present a record of their activities and achievements at the weekly review meetings.

5.0 Quality assurance

The members have undergone skill training arranged by Sasthra Sahithya Parishat. The Panchayath also arranged a trainer in making different types of candles, umbrella, lotion, soap, dish wash powder and washing powder for which the Panchayath paid Rs. 3,000 as fee. One of the concepts emphasized at these training programmes is the maintenance of the quality of the products. The group members were very friendly and served the study team some of their food products which tasted good. Regarding the products, till date, there are no complaints about their quality.

6.0 Marketing

Products and production are based upon orders and also the immediate demand for them in the local market at Kuttiyani where there is arrangement by the Panchayath for daily sales and also a monthly sales-mela, for which the District Mission of Kudumbashreehas allotted Rs. 5,000. Neighbourhood families also buy. Production is increased during festival seasons such as Onam, Christmas and Ramadan when the State Government organises fairs. In other words, there is no marketing problem. Marketing responsibility is taken over by Smt. Mohana Kumari and Smt. Vasantha. For every product item sold, they will get Re. 1 as commission. Among the products, "Sundari" face pack powder has very good demand. When stocks accumulate, they go for door to door sales.

6.1 Pricing of the products

The pricing of the products is not economical. The group is afraid of the stiff competition in respect of these products in the market. Hence, to attract the customers of the lower economic strata (who are not keen to buy branded products), the prices of soap, washing powder, lotion etc are reduced. To quote one instance: jack fruit chips are priced @ Rs. 250 per kg. in the local bakeries, whereas the group sells it at Rs. 150 – 200 per kg. A difference of about Rs. 50 – 100 which is poor economics in marketing. Incidentally, it may be pointed out that the quality of the chips produced by the group is equal to or better than that of the bakery chips. Likewise, the face pack powder for a 100 gm packet is priced only Rs. 15 whereas the price of branded products of big companies is around Rs. 200. Similarly, uzhunnu vada of big size is priced Rs. 5 whereas it is Rs. 7 in nearby hotels. No wonder, the profit margin is uneconomically low.

7.0 Toilet soap: expected profit margin

1. Price of 1 soap kit at Chalai market	-	Rs. 60
2. Transportation cost per kit	-	Rs. 20
3. Coconut oil	-	Rs. 180
4. Labour cost (estimate)	-	Rs. 40

Total	-	Rs. 300

The number of pieces that could be made out of 1 kit is 22. The total income at the rate of Rs 15 per piece is Rs. 330 (22 X 15) which means the net income is Rs. 30 per kit whereas the price of branded soap in the market is between Rs. 20 - 25 + per piece. Wrong pricing policy erodes into the profit margin.

8.0 Earnings

The net incomes generated after marketing will be more or less equally divided among those who satisfy the production targets. This will be done at the weekly meetings. On an average, the earnings range between Rs. 1,500 – 2,500 per month which serves as a supplementary income to the family's earnings. It increases during the festival seasons.

9.0 Monitoring and review

This being a Kudumbashree unit, there is a well-defined system for monitoring and review. Reports of the activities and performance of the unit are regularly submitted to the district authority through the local Area Development Society (ADS) and the Community Development Society (CDS). But feedback from the top down to the unit at the ground level is almost nil.

10.0 Maintenance of records

Being a Kudumbashree unit, all the prescribed records are maintained since these have to be submitted to the District Kudumbashree Mission. However, in spite of repeat requests, they refused permission to examine them.

The group claims that incomes and expenditures are correctly accounted and presented at the Kudumbashree SHG meetings. Bank account is at the Manacaud Branch of SBT which they operate during the procurement of materials for the products at Manacaud market and Chalai Bazaar.

11.0 Analysis and inferences

It is obvious that Kairali is a stable enterprise. The stability is largely due to fairly good team work and strong leadership. The support given by the Panchayath especially financial and marketing is another contributory factor. The training given by the reputed Sasthra Sahithya Parishat and the specially appointed skill-master has ensured the quality of the products. The decentralized production process based on division of labour is highly pragmatic and ensures the stability of the unit. Maintenance of the basic records and transparency in financial dealings is a strong point. The part-time work doesn't conflict with the day-to-day domestic work and the family responsibilities of the women.

The average monthly income presently generated is only Rs. 1,500 – 2,000 per head which, it is obvious, is not enough to improve the standard of living of the 13 families. There is need for enlarging the inputs and outputs of the unit with additional capital and appropriate mechanization. Opinions of experts in business management could be solicited.

12.0 The way forward

Kairali seems to be a stable enterprise but without any scope for further growth. Food products are all prepared in the household kitchens with limited

facilities and production capacity. Regarding the other products also, there is lack of space for storing more materials and for increasing the work space since most of them are huts with very small premises. Separate work-sheds are not possible. The present pattern is, as indicated earlier, decentralized and the members feel comfortable. Factory type of production at a work shed may not be feasible nor acceptable.

One of the limitations of the study is the non-availability of the records for examination by the study team. Being a Kudumbashree unit, a formal, detailed project proposal is a must for getting the approval of the link-bank. Unlike the voluntary agencies, Kudumbashree Mission has put in place clear cut guidelines regarding the preparation of a formal project proposal, the quantum of loan and subsidy, list of records to be maintained, weekly monitoring and review system by the concerned NHG and examination by the district authorities of the Kudumbashree Mission.

However, the units refused to allow the study team to have a close look at the records and collect statistical information. The District Authorities were also non-co-operative.

4.2.4 Greenland

Kuzhiyamvila,
Uchakada, Payattuvara

1.0 Introduction

This is a copra production unit managed by a group of ten women who are members of a neighbourhood group entitled, "Mahatma". It was started in 2006. Women who were engaged in copra-making previously, took the initiative and set up this unit under Kudumbashree. The unit has been active steadily for the past 8 years.

2.0 Educational status of the members

Table No. 4.6

Educational status of the members

Sl. No.	Educational Status	No. of Respondents
1	VII Std.	1
2	VIII Std.	1
3	IX Std.	2
4	SSLC	2
5	PDC/Plus Two	3
6	B.Com	1
Total		10

3.0 Mobilisation of capital

Obtained a loan of Rs. 5 lakh from the SBT Branch of Avanakuzhi. Through Kudumbashree, a bank loan of Rs. 1.5 lakh was mobilized. Members have not made any subscription.

4.0 Work arrangement

Copra is the dried meat, or kernel, of the coconut used to extract coconut oil. It can be made by smoke drying, sun-drying, or kiln drying. Sun-drying requires little racks and sufficient sunlight. Halved nuts are drained of water, and then left with the meat facing the sky. They are washed to remove mold-creating contaminants. After two days, the meat is removed from the shell with ease, and the drying process is complete after three to five more days (up to seven in total). Sun-drying is often combined with kiln-drying. The unit has a dryer operated with electricity.

Fresh coconut is procured from the agricultural college nearby, and houses in the locality. This is the responsibility of two members. The dried copra chips are stored safely in clean bags for sale. Just a value-addition to the kernel. The unit has a work shed (25 ft. x 30 ft.) with enough space and facilities for work. It is being kept clean and dry in order to protect the quality of the copra.

One positive factor is the consistent help of their children with their labour whenever sought.

5.0 Quality assurance

The whole process of breaking the nuts, cutting them into chips and getting them dried without any contamination is carefully done thereby

ensuring the quality of the product. Precaution is taken to prevent the attack of mold.

6.0 Marketing

Traders regularly visit the unit and collect the chips and pay according to the current market rates. Those who need oil, the group gets the chips crushed at a nearby oil mill and deliver it.

7.0 Earnings

This is a part-time job for the members. On an average, they work for four hours in a day. Monthly earnings range between Rs. 2000 – 3000. The husk and shell of the nuts also bring some income. The income depends upon the fluctuations in the price of the coconut.

8.0 Expected profit margin

1. De-husked coconut (1 kg):	Rs. 31
2. 10 kg copra (out of 30 kg nuts):	930
3. Labour charge:	30
4. Other expenses:	50

5. Total:	1010

6. Selling price of 10 kg copra:	1060

7. Profit:	50

9.0 Monitoring and review

This is being done at the weekly meetings of the SHG.

10.0 Maintenance of records

Being a Kudumbashree unit, the prescribed records are all maintained properly and with the approval of the NHG, they are submitted to the higher authorities. However, the study team was denied of access to any of the records – not even the original project proposal.

Accounts are correctly maintained and presented at the weekly meetings of the SHG. No auditing.

11.0 Analysis and inferences

The overall impression is that the unit has attained functional stability and generates steady income within a range of Rs. 2000 – 3000 per month per head. There is very good team work and the leadership provided by Smt. S. Geetha is very effective. What the unit needs is more value-addition and product-diversification for which a viable growth-plan has to be worked out and implemented with support from the link-bank and the Panchayath.

The present unit could be expanded with a filter machine and an oil-crushing machine. For this, a project proposal could be prepared with the help of some experts and submitted to the authorities concerned.

12.0 The path ahead

The unit has been in existence for the past 8 years. The net income per head is more or less steady. The growth of the unit depends upon acquiring the machinery for crushing the copra for producing oil which has a higher market demand and price. For this, they require a filter machine also at Rs. 1 lakh which will purify the oil bereft of impurities so that the shelf life could be considerably increased. The oil could be in the market under an attractive brand name. The group is expecting financial support from the bank and also the Panchayath.

4.2.5 Bethesta Activity Group

Puliyookonam, Payattuvila

1.0 Introduction

The unit was started in August, 2011 by a group of Kudumbashreewomen. They make palmyra leaf-based fancy products such as ordinary cap, cricket cap, pencil holder, purse, waste box, different types of basket, flower-basket of different designs - about 20 items of day-to-day utility.

2.0 Educational status of the members

Table No. 4.7

Educational Status of the Members

Sl. No.	Educational Status	No. of Respondents
1	IV Std.	1
2	SSLC	8
3	B.Sc	1
Total		10

3.0 Mobilisation of capital

The capital comprises a loan of Rs. 5000 from their NHG (Vinimayam) and a grant of Rs. 1 lakh from the District Kudumbashree Mission, a loan of Rs. 2 lakh from the SBT Branch at Nellimoodu. No contribution by the members. Total amount is Rs. 3,05,000/-.

4.0 Work arrangement

Making of the products is divided among the members and they are provided with palmyra leaves procured from Marthandom. There is division of labour among them for procurement of raw materials, sales and accounting. The group leader Smt. J. Rejani plans and coordinates the production process and pools the products for marketing.

5.0 Quality assurance

All of them have been given intensive skill-training for about 15 days in the production process. Hence, the quality of the products is good.

6.0 Marketing

The strategies of marketing is common to all Kudumbashree units such as daily sale outlets, monthly sale outlets and sales melas organised during festival seasons. During off seasons, they experience difficulty in marketing.

7.0 Expected profit margin

1. Cost of raw materials:	Rs. 1000
2. Auto fare:	500
3. Marketing expenses:	300

	1800

4. Sales income (approximately):	2500

5. Net income = 2500 – 1800 =	700

8.0 Earnings

The members work part-time: 3 – 4 hours per day, depending upon the demand for the products. One gets Rs. 100 – 200. The average monthly income per head is about Rs. 1000.

9.0 Monitoring and review

Being a Kudumbashree unit, there are weekly review meetings and reports are regularly sent to the District Authority.

10.0 Maintenance of records

Finance is managed without any hassles. Accounting is done properly and it is presented at weekly meetings. There is no preparation of balance sheets and audits. It is difficult to find out whether the unit is running on profit or loss, says the group leader. It seems, proper accounts of incomes and expenditures are not being maintained. The study team's request for documents is politely rejected.

11.0 Analysis and inferences

The group leader, Smt. Rejani, claims that this enterprise is a break-even unit. The main problem according to her is lack of demand for the products in the neighbourhood markets. In October, only 5 flower baskets were sold for Rs. 350. No other income from business during the month.

Fancy items of better and sophisticated designs with aesthetic value may be more attractive to the customers which will fetch high prices. For this, the members of the group need training by experts. Appropriate marketing strategies should be worked out and followed. Otherwise, the unit is bound to decline and wither away.

Being a Kudumbashree unit, there must be a project proposal which might have been approved by the District Mission Authorities. But, the leader is not prepared to show the study team, the approved proposal and the accounts and other records. In fact, she cannot say with conviction whether the unit is running on profit or loss. The only merit she claims, is the prompt

repayment of the loans availed of – may not be from the meager net income generated but from other sources.

In the course of the discussion, the group leader and others expressed a desire to shift over to some other products which have more market value and demand.

4.2.6 Sneha Vikalanga Leather Bag Unit

Cheruvarakonam

1.0 Introduction

Sneha unit was started in July, 2009. It was registered under the Travancore-Cochin Charitable Societies" Act. The main products are school-bag, big-shopper, umbrella and candle. The objective is mainly to enable the differently-abled to engage themselves in some viable income generation activities. NABARD has helped the members with intensive skill-training. The unit is housed in a spacious building offered free of rent by MSSS and it supervises all the activities of the unit. It is a mixed unit consisting of 5 males and 10 females.

2.0 Educational status of the members

The Table given below indicates the educational status of the members and their physical/mental status.

Table No. 4.8

Educational Status of the Members

Sl. No.	Name	Male/Female	Educational Status	Physical/Mental Status
1	P. Rajan	M	VI Std.	Physically Challenged (PC)
2	Shijumon	M	Plus two	PC
3	Aneesh	M	SSLC	PC
4	Manikantan	M	Illiterate	Mentally Challenged (MC)
5	Hassier Daniel	M	SSLC	MC
6	Binu	F	SSLC	PC
7	Vishnupriya	F	Plus two	PC
8	Jiji	F	Plus two	PC
9	Beena	F	Plus two	OK*
10	Shiny	F	SSLC	MC
11	Sajini	F	IX Std.	MC
12	Leela	F	Plus two	OK*
13	Baby	F	SSLC	OK*
14	Kamalakshi	F	Illiterate	MC
15	Valsala Sarojam	F	BA	OK*

OK* refers to the mothers representing their children who are differently abled

3.0 Mobilisation of capital

The capital is provided by MSSS. However, the Parassala Panchayath has also given a grant of Rs. 2 lakh. Sri. P. Rajan, Member and Manager of the unit has invested Rs. 2 lakh.

4.0 Work arrangement

Raw materials for the rexin bag is being procured from Nagercoil/Marthandom and brought through parcel service. Five members are engaged in cutting the rexin and four in printing and three in stitching and distribution to retail shops by two members. Depending upon the exigencies of work, there will be rotation in the job. The mothers work on behalf of their children. Work is full-time.

Under the leadership of Sri. Rajan, the members work as a team. Managing such a group of differently-abled members is difficult but Rajan and the MSSS authorities take care of small, small quarrels and grievances.

5.0 Quality assurance

There is strong emphasis on maintaining the quality of the products. Defective bags will be re-stitched or abandoned. Feedback of the customers is sought whenever possible.

6.0 Marketing

Big shopper is the main product. Sneha has established a network of prominent shops which regularly buy it thanks to the efforts of the group leader Sri. Rajan. During school reopening months, there is much demand for school bags.

7.0 Earnings

Since the unit is working with regularity, the income generated is steady and hence, payment of wages is also steady. Earnings depend upon one's attendance and output. The range of payment varies between Rs. 1000 – 1300 – 1800 – 2000 – 3000 – 3500 - 4000 per month.

The unit has overcome its early teething troubles and now, it is organizationally and financially stable.

8.0 Maintenance of accounts

This is very good. Accounts of incomes and expenditures are correctly maintained by Sri. Rajan himself who is a prime shareholder.

9.0 Analysis and inferences

Based on the facts and figures presented above, it can be stated that Sneha at present, is a financially and institutionally stable unit which generates fairly good income for those who can work efficiently. This unit was started for the rehabilitation of the differently-abled, purely on humanitarian consideration by MSSS. The inclusion of 4 motherson behalf of their children in the work force is commendable and a gesture of humanitarianism.

There is close supervision and monitoring of the day-to-day working of the unit and remedial measures are initiated then and there, if required. The production process is well-planned and neatly executed. Maintenance of accounts and other records is highly satisfactory and transparent.

The children who work but earn less, need special attention and supervision. Their general health and skills have to be improved to optimum level so that their earnings could be optimized. The volume of business has to be increased with product diversification so that more job opportunities could be created for the differently abled. More capital could also be tapped from the State and the Central government under various schemes for the rehabilitation of the disabled.

4.2.7 Karunya Swayam Thozhil Enterprise

Kalliyoor, Santhivila, Nemom

1.0 Introduction

This is a Kudumbashree unit, started in September 2006. The main products are paper bags of different types and sizes, cloth bags, seminar file folders, writing pads and rexin bags. There are 12 members in the group and they are all trained by experts. The Kalliyoor Panchayath has lent rent-free, two rooms of its shopping complex in the Santhivila market in Nemom.

2.0 Educational status of the members

Table No. 4.9

Sl. No.	Educational Status	No. of Respondents
1	SSLC	4
2	PDC/Plus Two	7
3	BA	1
Total		12

3.0 Mobilisation of capital

The unit has received Rs. 2,50,000 as loan from the link-bank. The members have not contributed anything. Kudumbashree paid Rs. 5,000 as a grant during last Onam. Total investment is Rs. 2,55,000/-.

According to Smt. A. Mini, leader of the group, the bank loans are fully repaid. Because of this, there is shortage of working capital. Whenever an order is received, members pool money from their personal savings to buy raw materials and other inputs. After the sales, they will recover the amount invested, along with their share of the profit.

4.0 Work arrangement

The Nemom Panchayath provided sewing machines and furniture – tables and chairs. Production work is carried out as a group. Raw materials mainly cloth is procured from the Balaramapuram Co-operative Society.

There is some sort of division of labour. Wage is given according to piece-rate system. Marking and cutting is done by three members. The President and the Secretary are engaged in marketing, maintenance of accounts, other records and make the payment. The rest of the members do the stitching. There is very good team work under the strong leadership of Smt. Mini. Daily attendance register is maintained. The waste generated is burnt.

5.0 Quality assurance

Being a trained group, the quality of the products is quite satisfactory. No complaints have been received from the customers so far.

6.0 Marketing

Success of an enterprise depends upon aggressive marketing strategies. Orders have to be canvassed. Customers prefer cloth bags to

paper bags. Sales are more during festival seasons and shopping melas. The Kalliyoor Panchayath authorities are very helpful.

The group has recently completed an order for bags from the Kerala Council for Historical Research in the Vyloppalli Samskrithi Bhavan premises. The Dept. of Sales Tax has demanded 20% tax for the deal.

7.0 Expected profit margin

The cost for making a cloth bag is Rs. 80. It is sold for Rs. 100 which means there is a profit margin of Rs. 20 per bag.

8.0 Earnings

The average daily earning is about Rs. 300 and less if the output is less than the stipulated target. Presently, they have received an order for 5000 cloth bags from the Dept. of Tourism. One can make 30 – 35 bags per day. The net profit for the unit per bag is Rs. 20. The average monthly earning per head is Rs. 1000 – 1300.

9.0 Monitoring and review

Being a Kudumbashree unit, review of the functioning of the enterprise is being done at the weekly meetings of the NHG.

10.0 Maintenance of accounts

The leader claims that the accounts are properly maintained and presented at the group meetings for discussion and approval. However, she is reluctant to hand over the account book for the perusal of the investigators.

11.0 Award

The award of Rs. 10,000 for best performance of micro-enterprise for the year 2011-12 was given to the unit. According to the members, the credit goes to their leader Smt. Mini.

12.0 Analysis and inferences

The overall impression is that the unit is stable and it could generate more incomes provided appropriate marketing strategies are adopted for generating more orders for cloth bags and other products. The unit needs the services of an expert to promote sales. The investigators understand that this unit has been awarded a merit certificate for its “excellent performance” during

2011 – 2012 for which it received a memento and a cash award of Rs. 10,000.

4.2.8 Matha Garments

Elluvila, Punjakkari, Thiruvallom

1.0 Introduction

The enterprise was started in May, 2011. The products are nighty, churidar, pavada and blouse – mainly a tailoring unit. The group is very small consisting of only 5 members and it belongs to an SHG titled, “Amritha”. MSSS provides the support required by the unit.

2.0 Educational status of the members

Table No. 4.10

Sl. No.	Educational Status	No. of Respondents
1	VIII Std.	1
2	SSLC	3
3	PDC + ITI	1
Total		5

3.0 Mobilisation of capital

The group obtained a loan of Rs. 1,87,000 at 11.6% interest from Catholic Syrian Bank. As share, the members have contributed Rs. 10,000 each (Rs. 50,000). Total investment is Rs. 2,37,000. With this, they have procured 5 sewing machines with all the accessories and the required furniture. MSSS did the liaison work with the bank.

4.0 Work arrangement

The unit has a semi-permanent work shed of 30 ft. X 20 ft. Two or three members select and purchase textiles from Messrs. Mehraj Textiles (Chalai Bazaar, Trivandrum) according to a production plan and distribute it among the members, depending upon their choice of products. All of them have sewing machines and accessories. The finished products are brought to Smt. Mary Stella’s house (Coordinator) for labeling, pricing and packaging.

The sewing machines are fitted with electric motors and hence, the quantity of output is high and the time required for stitching is minimal. Production waste is burnt. The work place is kept very clean.

There is very good team work for which the members have been trained periodically by MSSS as well as the Catholic Syrian Bank Authorities. The leadership provided by Smt. S. Sulekha (Chief Coordinator) and Smt. A. Mary Stella is meaningful and strong. In order to avoid boredom, there is regular rotation of work in respect of procurement, marketing and dealings with the bank.

5.0 Quality assurance

All the members have undergone intensive training in tailoring and fashion designing and hence, they are quality-conscious. No complaints have been received so far. However, any flaw in stitching, if brought to their notice, would be rectified immediately on request. Likewise, selection of the cloth will be done carefully so that its colour and texture are durable.

6.0 Marketing

Since their enterprise has good reputation among the neighbourhood families, many come to the houses of the members for direct-purchase. Though the members prefer ready cash for the purchase, occasionally they sell it for delayed payment, at a slightly higher price to trustworthy customers. Rest of the products will be sold at a readymade textile shop in Viswanadhapuram with whom there is a contract.

7.0 Expected profit margin

1. Cost of the cloth purchased:	Rs. 5,000
2. Transportation cost:	100
3. Wages for stitching:	1,000

4. Total:	6,100

5. Selling price:	8,000
6. Profit: (8,000 – 6,100) =	1,900

8.0 Earnings

Daily average income per head per day's work is Rs. 300. Most of them work for 5 days a week. Average monthly income per head is Rs. 4,000.

9.0 Monitoring and review

This is being done at the weekly meetings of the SHG.

10.0 Maintenance of accounts

Accounts are correctly maintained by Smt. Mary Stella and the members are quite satisfied with it. However, there is the burden of repayment of a loan of Rs. 1,05,782.

11.0 Analysis and inferences

This enterprise is stable in respect of its functioning, thanks to the efforts of MSSS. Members of the group have received good technical training in garment making, in production planning and control, marketing and steady income generation. The group has regular customers in the neighbourhood villages, since it follows the principle of, “buy now and pay later in installments”. However, this marketing strategy has landed the group in a debt-trap – arrears in collection amounting to Rs. 2 lakh from the defaulting customers. In other words, the enterprise lacks enough working capital at present. Hence, the members do not take any wage and share of the profit. The surplus generated is used to pay back to the bank the stipulated monthly installment in respect of their loan. The question is, what is the way out?

4.2.9 Surya Weaving Enterprise

Puthenveedu, Vadamcode,
Perumpazhuthoor

1.0 Introduction

This weaving unit was set up in January, 2008 by a group of 5 women who are members of the Kudumbashree unit, “Aiswarya” in Parappinthal, Perumpazhuthoor in Neyyattinkara Taluk. The main product is dhoti (double mundu) for men. The unit has established five looms with all facilities in a work-shed (30 ft. X 20 ft.) with ample space. There is regular production.

2.0 Educational status of the members

Table No. 4.11

Sl. No.	Educational Status	No. of Respondents
1	V Std.	1
2	IX Std.	1
3	SSLC	3
Total		5

3.0 Mobilisation of capital

Each member as shareholder has contributed Rs. 10,000 per head (10,000 X 5 = 50,000). Also, a loan of Rs. 2,00,000 from the Indian Bank and the Kudumbashree Mission helped them with Rs. 70,000 as subsidy. Total investment is Rs. 3,20,000.

4.0 Work arrangement

It is manual work and part-time. The members have undergone training in weaving offered by Kudumbashree authorities. Normally, they work for five hours per day. Yarn is procured from shops in Balaramapuram. The warp (pavu) is set by two men hired for the purpose. Weaving is done by the group. They work as a team under the leadership of Smt. Sheeja who is an expert in handloom work. Dhoties are designed according to the specifications of the shop-keepers or individual buyers.

Spouses of these women render very good support especially in buying and selling and also do maintenance work of the looms when necessary.

5.0 Quality assurance

The group is quality-conscious. To maintain quality and durability, they buy only yarn and lace (kasavu) of high standard. Special attention is given for making the weaving thick and without yarn-breakages. Dhotis which are technically defective will be sold at a lesser price or will be used by the members of the family. Such instances are rare. No weaving on rainy days because the quality of the dhoti will be affected by moisture.

6.0 Marketing

The finished products are neatly packed and sold to textile shop owners in Balaramapuram town according to a price negotiated. In fact, there is no dearth of orders. But, production could not be increased because of the difficulty experienced in manual labour.

7.0 Expected profit margin

1. Price of yarn:	Rs. 1,000
2. Kasavu colour:	250
3. Rate for pavu set-up:	150

4. Wage for weaving:	1,350
5. Auto-charge and other contingent expenses:	250

6. Total:	3,000

7. Income from sales: (9 dhotis X Rs. 425)	3,825

8. Profit:	825

8.0 Earnings

The average output of a day's labour per head is one dhoti. The wage is Rs. 150. Normally, they work for 15 days. The total wage earned per month (15 X Rs. 150) is Rs. 2,250 and payment is made on piece rate.

9.0 Monitoring and review

Being a Kudumbashree unit, weekly review meetings are held.

10.0 Maintenance of records

Being a Kudumbashree unit, the prescribed records are being maintained but, denied access to the investigators.

11.0 Analysis and inferences

The unit has achieved financial stability and regularity in production. The loan obtained from the Indian Bank (Rs. 2,00,000) was fully refunded. They have enough working capital. The men-folk and the grown-up children of their families help them in repairing and maintaining the looms in working condition and in marketing the products. Balaramapuram being the hub of handloom industry, there is no difficulty in selling quality products.

Both the Central and the State Governments have several schemes for supporting the weavers. These may be obtained from the respective authorities. For a day's hard work for about 5 hours, the remuneration they get is only Rs. 150 which is very low and unattractive. In Kerala, the women who join the MNREGS get around Rs. 200 per day.

The traders who buy these dhoties are exploitative. They bargain for low price and sell for higher price. It is suggested that **direct marketing** without middle men traders is to be promoted. House to house business is possible. Efforts should be made to build up a network of client families in and around Trivandrum city and small towns such as Nedumangad,

Neyyattinkara and Kattakada. The best strategy is to persuade the large number of Kudumbashree families in and around Balaramapuram to buy dhotis from this group whenever required.

4.2.10 Navajeevan

Vettuvila, Attupuram,
Kulathoor, Uchakada

1.0 Introduction

The enterprise was started in September, 2005 with support from NIDS. The group consists of 5 women who are the members of the self-help groups titled, "Matha Swayam Sahaya Sanghom". The main products are toilet soap, washing soap, lotion and washing powder. They have undergone training in making these products offered by the Kasturba Kendram. After the training, these women sought and got the help of NIDS.

2.0 Educational status of the members

Table No. 4.12

Sl. No.	Educational Status	No. of Respondents
1	V Std.	1
2	SSLC	3
3	PDC/Plus two	1
Total		5

3.0 Mobilisation of capital

Each member has contributed Rs. 5,000 as share (5 X 5,000 = Rs. 25,000) and NIDS provided a loan of Rs. 50,000. The total capital is Rs. 75,000.

4.0 Work arrangement

They have a semi-permanent shed of 15ft. X 12ft. where the work is carried out. The shed is kept clean. Raw materials are procured from Chalai market. Production is carried out as group work. Smt. Mary Brijit is the team leader. She is also a member of the local Kudumbashree unit and has undergone technical training in soap-making.

Normally, they procure, at a time, 10 kits of soap powder and all the necessary accessories. Generally, they work for 3 hours per day at a time.

The number of working days depends upon the orders received from the customers.

5.0 Quality assurance

The group is conscious of the need for high quality of the products so that they would be acceptable to the consumers. No complaints regarding the products till date.

6.0 Marketing

Participates in sales melas and persuades friends and families in the neighbourhood to buy the products. Three members of the group are active in marketing.

7.0 Expected profit margin

1. Price of 1 kit washing powder:	Rs. 105
2. Oil (Palm oil + Coconut oil):	150
3. Packing cover:	12

4. Total	267

5. Sales value (25 pieces X Rs. 14):	350
6. Profit (out of 1 kit):	83

8.0 Earnings

According to the group leader, a member on an average earns Rs. 1000 only per month.

9.0 Monitoring and review

Meetings are held on the first Sunday of every month for reviewing the progress of the business. Minutes of the meetings are not made available for the study team.

10.0 Maintenance of accounts

The group leader claims that the records of transactions are kept correctly.

11.0 Analysis and inferences

The unit was started in 2005. It has repaid in full, the loan of Rs. 50,000 provided by NIDS. They do have sufficient working capital at present and therefore, there is no need for further loans.

This unit is being kept alive for the past 9 years, surprisingly without any growth in business and profit. It is obvious that the monthly income of Rs. 1000 generated at present is very low. The sponsoring agency should examine the **growth potential** of the unit and develop it optimally so that the present income could be increased four-fold at least. Meanwhile, NIDS should provide strong support for marketing the products. Choose only those products that have good demand among the neighbourhood families. Otherwise, the project may lose its momentum and may decline because Rs. 1000 per month is very unattractive.

Smt. Mary Brijit, the group leader emphasized the need for training on the management aspects of micro-enterprise – in maintaining accounts and other essential records, monitoring and review process and developing marketing strategies. Not one-time training but continuous refresher programmes including visits to successful units.

4.2.11 Jerusalem

Kannanthura, Trivandrum - 695007

1.0 Introduction

The unit was set up in August, 2008 on a small scale under the leadership of Smt. Tresa Joseph and it continues steadily but without any growth. No formal project proposal. Main product is candle. During festival seasons, they make banana chips, papad, chattiappam, cake and umbrella depending upon the orders or opportunities for sale. The group consists of 5 women and they sought and got the initial support of TSSS. It is a registered organisation.

2.0 Educational status of the members

Table No. 4.13

Sl. No.	Educational Status	No. of Respondents
1	IV Std.	1
2	IX Std.	1
3	SSLC	2
4	PDC/Plus two	1
Total		5

3.0 Mobilisation of capital

Initially, the group invested Rs. 1000 each and procured the equipment, raw materials and started producing candles. The quality was very poor and hence, could not be sold. So they sought the help of TSSS which provided them skill-training and also, a loan of Rs. 10,000 and another Rs. 75,000 from the Corporation Bank at 4% interest. The total amount invested is Rs. 90,000. Thereafter, the unit has been functioning steadily.

4.0 Work arrangement

The unit has a work shed (15 ft. X 10 ft.) with all facilities for production. The raw materials are procured from Chalai Bazaar and brought by bus. Production is planned according to orders received.

5.0 Quality assurance

After the skill-training, every effort is being made to improve and maintain the quality of the products, mainly candle.

6.0 Marketing

Customers come and collect the candles as per their orders. The balance is sold through a shop nearby.

7.0 Expected profit margin

1. Price of wax:	Rs. 1000
2. Price of thread:	20
3. Transportation cost (by bus):	25
4. Cost of cover:	35
5. Cost of fuel:	200

6. Total	1280

7. Sale value:	1600

8. Profit:	320

8.0 Earnings

Generally, they buy in bulk of 25 kg packet which will be sufficient for 3 or 4 days" work. On an average, the monthly income per head is only Rs. 1000 or less. The income is low because production is geared to the orders received. More orders mean more business and more income. But, no serious effort is being made for procuring more orders.

9.0 Monitoring and review

The study team was informed that there was regular monitoring and review of the performance of the unit under the guidance of their Animator. Minutes of the meetings were not made available for examination.

10.0 Maintenance of accounts

Being a petty business, the task of maintaining accounts is not taken seriously by them. Still, they maintain it for inspection by TSSS. The loans have been repaid out of the income. The study team was not allowed to go through the accounts.

11.0 Analysis and inferences

The income generated per month namely Rs. 1000 is meager. They are willing to work more but do not get sufficient orders. Marketing is the main problem. TSSS could initiate steps for augmenting the sales. Otherwise, the unit is bound to decline.

4.2.12 Kavyakala

Muttakavu, Chullimanoor,
Nedumangad

1.0 Introduction

The initial name of the enterprise was **Smart SHG**. It was started in 2008 with support from NIDS. The main product was carry bag made of paper. NABARD has given the members intensive training for 17 days in making various types of paper bags. Four people joined together and initiated the enterprise after the training. Each member invested Rs. 1500 as share.

The total investment was Rs. 6000 only. However, the number of women engaged in the unit was 10.

2.0 Educational status of the members

Table No. 4.14

Sl. No.	Educational Status	No. of Respondents
1	VII Std.	1
2	SSLC	6
3	PDC/Plus two	1
4	Degree	2
Total		10

3.0 Work arrangement

Smt. Pushpakumari, the leader of the group took care of every activity. Others just worked for making the bags. It was part-time work. The products were also of good quality. The average earning per day's work was around Rs. 100 per head.

Monthly earning depends upon the number of days of work which again was determined by the quantity of carry bags ordered by customers. Gradually, the number of orders started declining, mainly due to stiff competition from the producers of carry bags in Tamil Nadu who sold their products for lesser price in Kerala.

4.0 Transformation of the unit

Since the income generated through carry bags is meager, the President of the group, Smt. S. Pushpakumari with the consent of the other members of the group, her husband (Sri. Sebastianose) and permission from NIDS (sponsoring agency) changed the title and products of the enterprise into **Kavya Kala Dance Academy** and got it registered under the Travancore-Cochin Literary Scientific Charitable Societies Registration Act, 1955. The unit now focuses on making decorative ornaments required by dancers, stitching their dress for dancing and imparts training in music.

For this, three sewing machines, tables and other furniture required for stitching and jewel-making were purchased out of a capital of Rs. 50,000 invested by the group leader and her husband and also, a loan of Rs. 90,000 offered by NIDS. Presently, 12 members (including the four members of the Smart SHG) work in the unit, depending upon the orders and sales of the products. The cut pieces (waste) are used for making pillows for sale.

Decision on business matters is done by an Executive Committee consisting of 7 members with Sri. Sebastianoseas the Convener. The Committee is the driving force of the unit. It has organised children's clubs under the Balajana Sakhyam of Malayala Manorama and conducts entertainment programs with the children during Onam, Christmas and anniversary day of institutions and thereby, generates income.

They have rented 2 rooms of a shopping complex (12 ft. X 12 ft. each) one for work and sale and the other for conducting dance/music classes. Records of all transactions are being maintained but the leader was reluctant to allow the study team to examine them. Out of the surplus income generated, the new unit has cleared Rs. 50,000 of the loan.

There is some sort of division of labour. Four members do the stitching work of the dress for dance, three make the ornaments and three others do the field work such as procurement of raw materials from Trivandrum and Kollam and marketing. They canvass orders from schools of dancing in Trivandrum and Kollam Districts. The unit is stable financially and income generation activities are steadily progressing. There is very good local support from the parents of the children who are attending the training classes in dancing and music.

5.0 Income, expenditure and balance

Table No. 4.15

Sl. No.	Month	Expenditure (Rs.)	Income (Rs.)	Balance (Rs.)
1	September	15,000	19,000	4,000
2	October	8,000	15,000	7,000
3	November	20,000	23,000	3,000

6.0 Earnings

According to the group leader, the daily average wage is Rs. 200 per head and normally, she will have 15 days' work which means the monthly earning ranges between Rs. 2500 – 3000. Furthermore, during Onam, each worker is given bonus according to their wage earnings.

7.0 Monitoring and review

Meetings are held regularly on second Sunday of every month. According to the group leader, account book is correctly maintained and checked by Smt. Ajitha (Accountant in a bank) who is a member of the Committee.

8.0 Analysis and inferences

It is obvious that the failure of the first phase of the enterprise is largely due to the wrong selection of the product namely, paper bags which do not have sustainable demand in the market. Kerala Government's efforts to ban plastic bags below 30 microns were a failure. Added to this, there is stiff competition from dealers of Tamil Nadu in respect of carry bags sold at a lesser price in Kerala. It is obvious that NIDS did not examine the scope for marketing paper bags and the competition from Tamil Nadu merchants and also the twist and turn policy of the State Government in respect of banning plastic cover. Unlike Kudumbashree, NIDS and TSSS do not insist on developing a viable project proposal, listing the risk factors involved in starting the particular enterprise and the possible mitigation measures. On the other hand, Sri. Sebastianose has sufficient business acumen to sense the opportunity for selling dance related materials through setting up dance classes. The constitution of the seven-member committee to shoulder the responsibility of carrying forward the business through wide linkages with balajana sakhyam and institutions that seek the services of entertainment troupes during celebrations.

The present unit – Kavya Kala - has achieved stability and sustainability thanks to the selection of products and services that have demand in the local market. In fact, the parents of the children who are being trained in dancing are the customers and the demand is steady.

The initiative and perseverance of Smt. S. Pushpakumari and her husband is laudable. Their imaginative leadership is the success factor. No wonder, the couple is able to set up a new unit fully owned by them and generate employment opportunities for 12 people of the locality. A group enterprise has been transformed into an individual-owned unit thanks to dynamic leadership with business perspective.

4.2.13 Lovely Enterprises

Krishna Bhavan, Nachivila,
Pavathiyavila, Parassala

1.0 Introduction

It is registered as an enterprise in December, 2009 at the Parassala Block Panchayat with the support of MSSS which means there must be a detailed project proposal. (The study team was not allowed to go through it) Smt. P. Vasanthakumari is the proprietor of the unit. Big shopper, jewelry boxes using rexin, purses and cell phone covers of different sizes and shapes

are the products. Jewelry shops in Trivandrum District are the main customers. The demand for these products among shop-keepers was thoroughly studied by Smt. Vasanthakumari and her husband prior to launching the enterprise. They found that if the quality and design of the bags/purses are attractive and durable without any technical defects, there would be very good demand in the market. Hence, she mobilized 10 members of the “Soubhagya” SHG and developed a workforce through appropriate training and motivation. They are not share-holders; the enterprise is fully owned by Smt. Vasanthakumari.

2.0 Educational status of the participants

Table No. 4.16

Sl. No.	Educational Status	No. of Respondents
1	SSLC	5
2	PDC/Plus Two	4
3	Graduation	1
Total		10

3.0 Mobilisation of capital

The Canara Bank provided a loan of Rs. 1,25,000. Also, got a loan of Rs. 50,000 from the Soubhagya SHG of Parassala and another loan of Rs. 25,000 from MSSS. There is a second loan of Rs. 2,00,000 borrowed in 2014. Total amount is Rs. 4,00,000.

4.0 Work arrangement

There is a work shed which is 20 ft. X 20ft. and also two rooms for carrying out the work – enough space for the stitching machines and their accessories. One room is used for storing the rexin sheets and other materials. The work place is found to be very clean and orderly. Raw materials are procured from shops in Nagercoil and Marthandom. This is done by the husband of the proprietor.

All the five sewing machines are fitted with motors; hence the production is about three fold of the output generally obtained from manual operations of the machines.

Since most of the workers have their own motor-attached stitching machines, unfinished work would be completed in their houses during leisure time.

5.0 Quality assurance

The group members are given intensive skill-training in making the products mentioned above. Hence, the quality specifications of the customers – jewelry shop owners - are carefully achieved. Whenever defects in the products are brought to notice, either they are rectified or they are substituted.

6.0 Marketing

They have regular customers namely, jewelry shop owners in Trivandrum District. Orders are obtained from them and products are prepared according to their specifications. Jewelry boxes and purses of good designs and workmanship are presented for securing orders especially from new shops. Very effective strategy.

7.0 Expected profit margin

1. Cost of rexin for 100 pieces of cell phone covers:	Rs. 1000
2. Wages for cutting into pieces:	100
3. Wages for stitching:	500
4. Wages for printing:	30
5. Cost of thread:	30
6. Miscellaneous expenses:	100

7. Total:	1760

8. Sale price of 100 pieces:	2500
9. Profit (2500 – 1760):	740

8.0 Income, expenditure and balance (2014)

Table No. 4.17

Sl. No.	Month	Expenditure (Rs.)	Income from sales (Rs.)	Balance (Rs.)
1	September	1,00,075	1,21,890	21,815
2	October	67,209	81,626	14,417
3	November	56,298	69,624	13,326

9.0 Earnings

Payment is according to the piece-rate system. The more output one brings out, the more will be the remuneration. However, the average daily

wage earned by a worker is only Rs. 125 and monthly earning ranged between Rs. 3000 – 4000.

The unit is financially stable. On an average, the proprietor gets a net income of Rs. 10,000 per month. Part of the surplus income generated is re-invested for enlarging the business.

10.0 Monitoring and review

This is an individual-owned enterprise but the proprietor and the women who work are members of the Soubhagya SHG. Review of the performance of the unit is being done at the weekly meeting. MSSS animator also visits the unit frequently.

11.0 Maintenance of records

Maintenance of records is quite satisfactory. She maintains the Purchase Register, Production Register, Sales Record, Wage Payment Register, Bank Loan and Repayment Records and records of all transactions. There is no audit of accounts since the enterprise is private property, according to Smt. Vasanthakumari.

12.0 Repayment of loan

The loan of Rs. 1,25,000 availed of from the Canara Bank is fully repaid. Regarding the second loan of Rs. 2,00,000 availed in 2014, Rs. 35,000 has already been remitted.

13.0 Analysis and inferences

One remarkable contributory factor to the success of this enterprise is the dynamic leadership exercised by its proprietor Smt. P. Vasanthakumari. She has been a member of the field staff of MSSS for a long time and as such she has opportunities to attend several staff development training programmes, periodically conducted by MSSS. Moreover, she has been an Animator of MSSS supervising and initiating field work activities among the primary stakeholders, including credit unions and income generation. No wonder that she is managing more or less efficiently her own enterprise. Two of the key responsibilities namely, procurement of raw materials and marketing are directly handled by her and her husband.

She is very effective in production planning and control and takes care in maintaining a functional but friendly relationship with the women who work with her. Introduction of the piece rate system of wage payment is a good practice. Maintenance of records is just sufficient for operational purpose.

However, it will be good, if she undergoes formal training in business planning, budgeting, accounting, calculation of internal rate of returns (IRR), modern marketing strategies, negotiation skills etc. She does have all these attributes but, they need fine tuning.

Another positive factor is the reinvestment of a portion of the surplus income generated to enlarge its capital-base and strengthen its sustainability through expansion and diversification.

4.2.14 Techno World: Digital Technologies

Kumarapuram, Trivandrum

1.0 Introduction

As the title indicates, this enterprise offers services such as data entry, DTP work, printing, photocopying, assist the government in the preparation of voters' list and on-line applications and other related services. It was established in September, 1999 by a group of Kudumbashree women who got intensive training in computer work.

This scheme was conceived and promoted by Sri. Jose IAS who was then the Director of the Kudumbashree Mission. He had the vision and the ambition to impart modern technical skills to women of economically and socially backward communities, weed them away from making and selling traditional food products or age-old tailoring and introducing them to take up computer work.

The unit is at present located in a rented building with adequate space and equipment at Kumarapuram, near Medical College. At the beginning, there were 10 members who underwent intensive training for about 3 months in computer work, arranged by Kudumbashree Mission. They were under the impression that after the training, all of them would be offered regular appointments. When they came to know that the training was given mainly to enable them start computer-based enterprises of their own with capital taken on loan from link-banks, three of them left the group because they were afraid of offering securities and taking risks.

This is registered as a micro unit under MSME.

2.0 Educational status of the members

Table No. 4.18

Sl. No.	Educational Status	No. of Respondents
1	PDC/Plus Two	5
2	Degree	2
Total		7

3.0 Mobilisation of capital

Each member has contributed Rs. 1,500 as share capital (1,500 X 10 = 15,000). Obtained a loan of Rs. 1,65,000 from the link-bank and a subsidy of Rs. 1,25,000 from Kudumbashree- Total Rs. 3,05,000.

4.0 Work arrangement

Presently, the Kumarapuram unit has only 4 members. The other three had broken away from the group and started a separate unit in Manacaud. Here, in this unit, there is no division of labour.

The unit functions in two shifts – the first one starts at 7.00 am and ends at 1.00 pm, the second shift goes up to 6.30 pm. Night shift work is also undertaken if necessary, with the help of trained male workers.

Rate fixation is done according to the size of the text or content and the time taken for completing the work. For handling old/partly damaged documents, the rate will be fixed a little high.

DTP Malayalam: Rs. 30 per page

DTP English: Rs. 25 per page

Photocopy: Rs. 1.50 per page

If the number of pages is more, there will be some reduction in the rates.

During the initial stages, there were enough work orders and obviously, good income thanks to Kudumbashree support. Also, work is canvassed from various government offices such as RTO, Dept. of Economics and Statistics, Labour Welfare Boards, Kerala State Literacy Mission and private institutions for which the group submits proposals, quoting rates.

Initially, there were 5 computers, one printer, UPS, adequate furniture and other accessories. Gradually, the quantum of work increased and

correspondingly, the number of computers also increased to 22. But, at present, only 10 -15 are used due to sharp decline in orders.

5.0 Quality assurance

All of them are fairly skilled in computer work. They are very careful in their work because they need the patronage of the customers for their survival. Defects in work will be rectified then and there as soon as they are brought to their notice.

6.0 Marketing

The State Govt. through Kudumbashree promoted about 193 IT service units of women in Kerala and supported them with work (outsourcing) from the various departments, local bodies and government aided institutions. All these IT units prospered and the monthly income per head was around Rs. 8,000 – 10,000 and more. However, due to decline in computer service work assignments, the income has come down at present.

This prosperity started declining in 2010 when the government slowly but steadily introduced e-governance with its own staff or hired ones on daily basis for Rs. 300 - 350. At present, there are only 65 IT units and they are struggling for existence. The Kudumbashree authorities are aware of this crisis and to mitigate it, established a marketing society by name, “Unnathi”. It is the responsibility of the society to procure IT work from government institutions and others and evenly distribute it among the existing units. At present, there are 65 IT units in Kerala and 5 units in Trivandrum District. Contrary to expectations, Unnathi is struggling to secure enough assignments.

An unfair practice has crept in recently. Outsourcing contract work are cornered by powerful agencies including KELTRON and sub-contracted at lesser rate. Sometimes, the contracts are again pushed down to smaller institutions at ground level such as Technoworld. In such cases, the profit margin is bound to be very low and disappointing. The Government should ban such **unfair commission business** by higher level organisations without doing any work.

7.0 Heavy overhead expenses

Along with decline in business orders, the over-head expenses are too heavy for the Kumarapuram unit to meet, as shown below:

1. Deposit for the rented building: Rs. 25,000
2. Monthly rent: 15,000
3. Electricity charges at commercial

rate for two months:	7,500
4. Telephone bill:	1,500
5. Water charge:	200
6. Monthly maintenance expense of the computer system (20 machines):	3,000

Total	27,200 (average)

8.0 Earnings

This unit has repaid all the loans availed of from the banks. During the initial stages, the average monthly income rose up to Rs. 7,000 – 8,000 per head. Due to difficulties in procuring orders from government departments, it is presently, running on loss. The unit requires at least Rs. 30,000 per month for meeting the running expenses including the rent of Rs. 15,000 for the building and the average electricity, phone, internet and water charges amounting to Rs. 10,000. But, the average monthly turnover is less than Rs. 20,000 – a gap of about Rs. 10,000 per month. The unit is in a crisis.

9.0 Maintenance of records

Being a Kudumbashree unit, accounts are being maintained as per rules by the Secretary. However, the study team is not allowed to have a look at them.

10.0 Analysis and inferences

As indicated earlier, it was a prosperous unit until 2010. When the government departments started their own computer system as part of e-governance, it gradually stopped outsourcing. It is obvious that Unnathi cannot provide ample work for the 65 and odd surviving IT units. Hence, through appropriate marketing strategies, the units themselves have to procure orders from private institutions – small and big, on the basis of an MoU/contract. It could secure the patronage of Ward Councilors, local MLA for tapping work orders from private and public institutions in addition to its regular customers who seek services. Since spare computers are available, the unit can offer practical training in computer work for beginners and augment the income.

4.2.15 Deepam Thozhil Unit

Panayamoola, Amaravila

1.0 Introduction

The unit was started in February, 2008 under the leadership of Smt. Sulochana. Eleven members from different SHGs joined together and set up the unit. The products include handicrafts such as mats, baskets of different types and size, flower vases, pencil boxes, water pots (kooja), toys, bags including a few colorful fancy items, all out of palmyra leaves. MSSS had arranged skill training sessions for the group.

2.0 Educational status of the members

Table No. 4.19

Sl. No.	Educational Status	No. of Respondents
1	IV Std.	1
2	SSLC	8
3	PDC/Plus Two	2
Total		11

3.0 Mobilisation of capital

Ten members have contributed Rs. 250 each as share. MSSS has given a grant of Rs. 1500. Total investment is Rs. 4000.

4.0 Work arrangement

Palmyra leaves are procured from Vadassery market in Nagercoil and other items are from Chalai Bazaar, Trivandrum. This is the responsibility of two of the members. The leaf will be distributed among the members who are willing to undertake the work. In one of the houses, there is arrangement for putting the processed leaves in the required colour solutions for about two hours after which the leaves will be taken back to their houses for making the products as per orders. Wages are fixed for each item and payment is according to the number of items made within the stipulated time.

Their work depends upon the orders received. However, they will be busy during sales melas. At other times, they are engaged in tailoring work or participate in MNREGS. A few are busy with tending their cows or poultry. Among them, one is a helper in the local anganwadi. Another is a sanitary worker and two are active as members of the local health brigade. In other words, their participation in the palmyra leaf business is part-time and one among their various avocations.

5.0 Quality assurance

Till date, there is no complaint from the customers regarding the quality of the products. If any item is found defective, the members are quite willing to replace it. It is a decentralized production mode. They make the products in their houses. Raw materials are collected in bulk and marketing is also a collective responsibility.

6.0 Marketing

The group depends upon various shopping melas organised by the government, MSSS and nearby panchayats. Sometimes, they get bulk orders for certain products. During marriage seasons, there will be good demand for mats and baskets (arivatti). They also receive orders from individual customers. But there is no well thought-out strategy for increasing the sales. A little bit passive.

7.0 Expected profit margin

1. Cost of palmyra leaves:	Rs. 1000
2. Colour:	150
3. Wages:	800
4. Travelling expenses for procurement & marketing:	300

5. Total:	2250

6. Sale value:	3000
7. Profit:	750

8.0 Earnings

Payment is according to piece rate system. More output means, more income. However, according to the group leader, the average monthly income is around Rs. 500 – 600.

9.0 Monitoring and review

This is not being done seriously. The MSSS animator visits the unit occasionally.

10.0 Maintenance of accounts

Smt. Sreeja (Treasurer) claims that the accounts of incomes and expenditures are correctly maintained. But not willing to allow the study team to have a look at it. She admits that the quantum of money transaction is very small.

11.0 Analysis and inferences

It is a very small enterprise with a capital of Rs. 4000. Obviously, the surplus income will also be proportionately small. Besides, the value addition to the palmyra leaves also is less. Seems to be a leisure-time activity for these women. Hence, they are in search of other employment opportunities such as MGNREGP, tailoring, cattle rearing, poultry farming and sanitation work for daily wage. One of them works as an anganwadi helper. In other words, they are economically poor; they need more work and more income. The potential of the present palmyra leaf handicraft unit for generating sufficient income is less. MSSS should take note of this and work out solutions.

4.2.16 Matha Flour Mill

Vattiyoorkavu, Trivandrum

1.0 Introduction

This enterprise was started in July, 2007 by a group consisting of 10 members of a Kudumbashree unit in Vattiyoorkavu. It is a service unit as the name indicates. The initiative for starting the enterprise came from Smt. Girija Sreedharan, Member, Vattiyoorkavu Grama Panchayath. The Panchayath provided an intensive 15-day training on the various aspects of managing a flour mill. The mill took some time to get stabilized. Meanwhile, five of the members left the unit. The remaining five sought and got the support of MSSS and put the working of the mill in order.

2.0 Educational status of the members

Table No. 4.20

Sl. No.	Educational Status	No. of Respondents
1	VI Std	1
2	SSLC	3
3	Degree	1
Total		5

3.0 Mobilisation of capital

As share, each of the 10 members of Ushus SHG, at the initial stage invested Rs. 2,000 (Rs. 20,000). With the help of the Panchayath, they obtained a loan of Rs. 2,00,000 from Canara Bank and the Panchayath itself sanctioned a subsidy of Rs. 1,00,000. Later, Kudumbashree Mission also sanctioned a grant of Rs. 25,000. Total investment is Rs. 3,45,000.

4.0 Work arrangement

The unit functions in a shed of 30 ft. X 15 ft. There is ample space for work. Good ventilation and lighting. Out of the 10 members, only 5 remain at present and they work in shift. A shift consists of two members who operate the machine for six hours at a stretch after which, the second shift begins with another team. There are three facilities – one is used for grinding rice, wheat, green gram, ragi and dal. The other is for grinding chilly, coriander, turmeric etc. The third is for wet-grinding. Altogether, the mill functions for 12 hours a day. The fifth member will take care of all other functions associated with the business. After the day's work, the machines are cleaned and kept ready for the next day's work. The unit has three-phase connection and the average monthly current bill (commercial rate) is Rs. 2500 – 3000.

One lacuna experienced is the frequent breakdown of machines and consequent loss of work and income. Last year, it took about a full month to get the machines and the motor repaired. Likewise, frequent power failure/cut is another problem. Maintenance cost of machines is high during certain months. The group members meet often to discuss the problems and workout appropriate solutions.

5.0 Quality assurance

Since the flour mill is handling food products, importance of personal hygiene and environmental sanitation cannot be overemphasized. They regularly clean the work place.

6.0 Marketing

Matha flour mill is a well-known in Vattiyoorkavu Panchayath. The fact that it is working for 12 hours per day except Sunday is proof enough that there is plenty of good will for it among the customers.

7.0 Expected profit margin

Profile of the incomes and expenditures of 2012–13

1. Rent for the shop at Rs. 1000 X 12 = Rs. 12,000	
2. Current bill:	35,600
3. Repair and maintenance:	35,000
4. Total income:	1,64,400
5. Surplus generated:	81,800
6. Average monthly income for the unit:	6,816
7. Per head income per month in 2012-13:	1,363

Two items which erode the surplus income are the high electricity bill (about Rs. 35,600 per annum) and the high repair and maintenance charges (about Rs. 35,000 per annum). Regarding the electricity bill, the group is helpless since it comes under commercial category. About the increasing maintenance expenditure of the machines, remedial measures could be initiated with the help of some technical expert.

8.0 Earnings

Records of money transactions are maintained by the leader of the group, Smt. Girija Jose. At the end of the month, accounts are examined and the surplus available for distribution will be worked out and paid. Average monthly income ranges between Rs. 1300 – 2000. If the machines work without any repair, the income will go up.

9.0 Monitoring and review

This is being done once in a month. Functional difficulties are discussed and solutions worked out. Accounts are checked and approved and wage payments made.

10.0 Maintenance of records

Smt. Girija Jose, the Secretary claims that she maintains the basic records. But denied the study team to have a look at them.

11.0 Financial stability

Financially, this is a stable unit. All the loans have been repaid in full and the unit has sufficient capital for meeting the day-to-day running expenses.

12.0 Analysis and inferences

The unit started with 10 shareholders. Gradually, five of them left the group due to various reasons such as low wages, lack of time, health problems and family problems. The remaining five work in shift for 6 hours at a stretch every day for 26 days a month. The monthly income of Rs. 1300 – 2000 is not commensurate with the work they do. This has to be got increased at least to Rs. 4000 – 5000 per month. One approach is to increase the charges for grinding to a level acceptable to the customers through friendly negotiation. Another is getting electricity according to subsidized rates since this is a SHG sponsored enterprise to support the poor. The third is to reduce the frequency of machine breakdowns and the cost of repair and maintenance with the help of some expert, arranged by MSSS.

4.2.17 REAL TECH: Two-wheeler Driving School

Manchamoola, Eliapuram,
Puthukulangara, Varkala

1.0 Introduction

This is a driving school intended for girls/women initiated by Smt. Unnimary in 2010. She has received training in driving two-wheeler and also as an instructor, arranged by the Manickapuram Parish Council. Since this is not a registered unit, it is linked with the Anadu St. Peter's Driving School. She considers her activity as an act of charity. The fees charged from the trainees are remitted to a fund specially created by NIDS. In other words, she doesn't draw any salary as the instructor of the driving school. The trainees are women from the locality. Till date, 118 trainees have passed the test and obtained license. Among them, about 100 trainees have purchased two-wheelers. This could be considered as a small but significant social change among the younger generation of women in the locality. Their mobility has increased considerably.

2.0 Mobilisation of capital

NIDS provided Rs. 15,000 for purchasing a second hand two-wheeler for training purpose and provided ground facility for training sessions at the Eliapuram Parish Church premises. With another loan of Rs. 15,000 from NIDS, a shed for office work was set up. The Parish Priest Rev. Fr. K.P. John is the patron of the unit and Sri. T.K. Vincent, is the Secretary. Total investment is Rs. 30,000. The unit is owned by the local church.

3.0 Work arrangement

Presently, there are 23 women trainees. There are two shifts: from 6.00 am – 12.00 noon and 2.00 pm – 4.00 pm. The duration of training ranges between 3 - 12 months, according to the learning ability and time availability of the individual trainees. But, no change in the fees amount. Smt. Unnimary is the instructor. After the training, the unit helps them secure driving license from the RTO.

4.0 Marketing

There is a big name board attached to the shed in order to capture the attention of the public, especially the youngsters. Advertisements are given in the notices published by the church festival committees. Announcements through church and the SHGs are also periodically made regarding the training programme offered by the unit. There are frequent enquiries for details over phone.

5.0 Expected profit margin

Per trainee income and expenditure

1. Petrol expense per trainee: (Rs. 80 as petrol charge for a session X 20 training sessions)	Rs. 1600
2. Maintenance charges of the two-wheeler:	130
3. Remuneration for the teacher per trainee:	500
4. Amount spent for registration:	1200

5. Total expenditure per trainee:	3430
6. Fees charge per trainee:	3750
7. Net income: (3750 – 3430)	320

6.0 Earnings

Smt. Unnimary is the instructor and the only employee of the unit. But, she doesn't draw any salary. She accepts only the benevolent offerings of the trainees at the time of their course completion. In appreciation of her voluntary service, NIDS gave her a gold ring as a token of its appreciation. Thanks to strong pressure and persuasion from NIDS, Smt. Unnimary has agreed to accept Rs. 500 per month as honorarium hereafter, out of the total monthly net income of Rs. 2700 (average) of the school.

7.0 Monitoring and review

The Parish Priest Rev. Fr. K.P. John and Sri. T.K. Vincent, the Secretary regularly examine the accounts and review the activities.

8.0 Maintenance of accounts

The unit charges Rs. 3750 for the course. It is collected in three instalments. Of this amount, Rs. 1200 is spent on getting the license registration. The petrol expenses are met out of the balance amount. Surplus income is remitted to the Special Fund account created by NIDS.

9.0 Repayment of loan

Of the loan amount of Rs. 15,000 obtained from NIDS, Rs. 9,000 has already been remitted. Being a prosperous unit and the transparency maintained by the leader Smt. Unnimary, repayment of the balance amount (Rs. 6,000) is easy.

10.0 Analysis and inferences

As a step towards sustainability, the unit has organised an alumni association of the past trainees and it meets once in six months. It is obvious that this fraternity generates good publicity and good will for this training institution. The particular SHG and the church authority also give wide publicity. The unit is on the lookout for a trainer having heavy vehicle driving license so that it could get the much-needed registration certificate and license from the Kerala Motor Vehicle Department. This will make Realtech a government recognized training school in driving two wheelers and consequently, better growth prospects.

Leadership

Smt. Unnimary has strong leadership qualities and skills as a social worker thanks to the training programmes offered by NIDS and also the opportunities for participating in community work. She had served as a Sunday school teacher, member of the Vanitha Vedi Council of the diocese, Secretary of the local Vincent de Paul unit, President of Legion of Mary and in charge of several other church-promoted organisations. Hence, her readiness to offer her service to Realtech, free of any remuneration.

It is proved that even a second-hand two-wheeler with an instructor having social commitment can disturb the status quo of young girls and women in a coastal village and usher in changes in the mobility of women thereby, enabling them to avail of opportunities offered by urban institutions.

4.2.18 CARMALAMATHA Vanitha Vedi

Kizhanguvilakunnu, Chakrapanipuram,
Puthukulangara

1.0 Introduction

This is a copra-based coconut oil production unit set up by four members of different SHGs in the locality. It was started in August, 2009 with the support of NIDS. They have rented a house with sufficient premises, conveniently located for business.

2.0 Educational status of the members

Table No. 4.21

Sl. No.	Educational Status	No. of Respondents
1	II Std.	1
2	VI Std.	1
3	SSLC	2
Total		4

3.0 Mobilisation of capital

The members have mobilized Rs. 3,500 from the SHGs themselves as loan. Also, received a loan of Rs. 7,000 from NIDS. Total investment is Rs. 10,500.

4.0 Work arrangement

At the initial stage, bulk procurement of coconuts was done and processed into copra and oil and sold them with great difficulty. The prices of nuts, copra and oil fluctuated frequently and hence, there is uncertainty regarding the profit margin. Hence, the present strategy is to procure orders first and then produce copra/oil as per the requirement of the customer. There is some sort of division of labour. Procurement of the nuts is done by Smt. Chandrika and gets the assistance of Smt. Dasamma and others for processing them into dried copra. Accounts are maintained by Smt. P. Usha, who is the leader of the group. The husk, shell and the oil cake fetch additional income. Waste produced is burnt out.

5.0 Quality assurance

Till date, no complaint regarding the quality of the copra or oil has been received.

6.0 Marketing

As indicated earlier, production at present is done mainly according to the orders placed by the customers. Excess oil after sales is bottled and sold out. However, the total business turn over per month is very low according to the group. They work only for three or four days in a month. There is no planned effort for increasing the orders or building up a net-work of customers in the neighbourhood.

7.0 Expected profit margin

1. Cost of coconuts:	Rs. 3,500
2. Auto charges:	440
3. Oil mill charges for crushing the copra:	110
4. Wages for the members:	1,000

5. Total expenditure:	5,050
6. Returns:	
Price of oil (66 kg):	3,960
Oil cake (32 kg):	416
Husk:	240
Coconut shell:	50

	4,666

7. Loss (5050 – 4666):	384

As indicated earlier, profit or loss is determined by the frequent fluctuations in the prices of copra and oil in the day-to-day/seasonal market.

8.0 Earnings

The business is slowly declining. The average monthly net income according to the leader of the group is around Rs. 500.

9.0 Maintenance of accounts

As working capital, the unit obtained a loan of Rs. 7,000 from NIDS. The repayment is found to be difficult. There is still an arrear of Rs. 2,000.

Business suffers during rainy seasons because copra and oil get spoiled due to fungus. Therefore, the group is afraid of producing and storing bulk copra/oil. The solution is to have a good work shed and a dryer machine to process the copra during wet season. At present, they sell spoilt oil to candle/soap making units nearby.

10.0 Analysis and inferences

This is a small unit consisting of four members with low capital and without any machinery. The quantum of value addition to coconuts is very low and hence, the surplus generated is also correspondingly low. Coconut oil being edible is in great demand irrespective of the changing seasons. What the unit requires for sustainability is increasing the quantum of business through appropriate mechanization, bottling facility and a brand name with good publicity in the neighbourhood villages and towns.

The unit was started in 2009 and continues to be static for about 5 years. The monitoring and review exercise held every week and the "frequent inspection by the animator seems to have failed to take note of the stagnant status of the enterprise and initiate steps for calibrating the unit.

4.2.19 St. Mary's Tailoring Unit

Asha Bhavan, Vennicode, Varkala

1.0 Introduction

The unit was started in May, 2010 by 20 women of the Carmalamatha Activity Group. During the initial stages, the group started making washing soap, toilet soap, detergent powder, lotion, candle, snacks etc. As the work progressed, there was disunity among the members regarding the uneven work done by a section but it insisted on equal payment of the returns. When this tendency persisted, six members broke away and started the tailoring unit after undergoing rigorous training. There is no formal project proposal.

2.0 Educational status of the members

Table No. 4.22

Sl. No.	Educational Status	No. of Respondents
1	V Std.	1
2	SSLC	3
3	PDC/Plus Two	1
4	Degree	1
Total		6

3.0 Mobilisation of capital

The capital was a modest amount of Rs. 12,000 towards which each member contributed Rs. 2,000. Added to this, three of them secured a loan of Rs. 45,000 from the Corporation Bank and two others obtained Rs. 5000 each from the Forana Fund. Furthermore, TSS provided a loan of Rs. 7,500. Later, OSJ Sabha of the Parish helped them with a fresh loan of Rs. 50,000. The total capital was Rs. 1,19,500.

4.0 Work arrangement

The main items they secure orders for are churidar and nighty. Two members of the group purchase cloth from Kollam Town and transport it by train to Akathumuri Railway Station, near Varkala. From there, they hire an auto and bring it to Asha Jose's house. She is the leader. The group assembles and according to a plan, cuts the cloth for stitching. Two of them, use the machines available at Asha's house itself and others have their own. Stitching is easy thanks to the electric motor-attached.

5.0 Quality assurance

Members are keen to satisfy the quality and design requirements of the customers.

6.0 Marketing

The main strategy is to secure orders and production carried out accordingly. However, during school opening and festival seasons, depending upon the market demand, increased production of standard items is undertaken.

7.0 Income, expenditure and balance (2014)

Table No. 4.23

Sl. No.	Month	Expenditure (Rs.)	Income from sales (Rs.)	Balance (Rs.)	Income per head (Rs.)
1	September	44,375	72,480	23,105	4,621
2	October	39,420	70,150	29,730	5,946
3	November	43,770	71,450	27,680	5,536

8.0 Earnings

Wages as well as profits are more or less equally divided among the group members. Average monthly income is about Rs. 4000 - 5000.

9.0 Maintenance of accounts

Accounts of incomes and expenditures are being maintained by the group leader. Of the loans, Rs. 35, 000 have been repaid. No auditing of the accounts. Review meetings are held regularly but minutes are not prepared.

10.0 Analysis and inferences

In fact, it is a small tailoring unit with limited income. Presently, stitching work is being carried out in their own houses. According to the members, the business turn over could be increased, if they could get a shop by the road side on rent which will give more visibility to the enterprise among the prospective customers. The unit could establish backward linkage with two or three cloth merchants and forward linkage with three or four sales outlets. The unit could also offer apprentice training in stitching to aspiring girls of the locality and charge fees up to Rs.1500 – 2500 per head.

4.2.20 Peniyel Activity Group

Rony Cottage, Sewage Farm, Watts Road,
Vallakadavu, Valiathura

1.0 Introduction

The unit was started as a Vanitha Swayam Sahaya Sanghom in August, 2007 under the guidance of Smt. Usha, a practicing Advocate. The group at that time consisted of 10 women and got the enterprise registered with the Community Development Society (CDS) under the Trivandrum Municipal Corporation. The activities consisted of fish vending, vegetable vending and poultry. The Nalanchira Branch of the Indian Bank offered a loan of Rs. 1 lakh. This provided the seed money for the enterprise and the members through individual efforts, generated good business and profit.

By 2010, they got the support of TSSS and turned to new products such as sweets, cake, wine and different types of pickles etc. Presently, the group consists of 5 members only.

2.0 Educational status of the members

Table No. 4.24

Sl. No.	Educational Status	No. of Respondents
1	No formal education	1
2	SSLC	1
3	PDC/Plus Two	3
Total		5

3.0 Mobilisation of capital

The group experienced no difficulty in mobilising capital. As mentioned above, the first loan of Rs. 1 lakh was offered by the Indian Bank. After the repayment, the group got a second loan of Rs. 2 lakh from the same bank. It was repaid within 18 months. This helped the group to get a third loan of Rs. 3 lakh. Meanwhile, TSSS provided Rs. 13,500; again one more loan of Rs. 15,000 out of which Rs. 5,000 was subsidy. Meanwhile, supported by TSSS, the local Corporation Bank provided a loan of Rs. 75,000. Total – Rs. 7,03,500. Repayment of the various loans is being done regularly, often from sources other than the enterprise. Hence, the bank authorities do not have any complaints.

4.0 Work arrangement

The arrangement pattern is same as that in other units. Two of them procure the required raw materials from the Chalai market and bring them by autorikshaw to the house of the group leader, Smt. Elsy Henry. They have a work shed (20 feet X 12 feet) with all facilities for preparing the products.

5.0 Quality assurance

Since all the products are food items, they have no technical problem in ensuring their quality in terms of taste, colour and appearance. No complaints so far.

6.0 Marketing

Herein lies the limitation. They have adopted the same principle of marketing followed by other units namely, “production limited to orders received”. And they don’t have any worthwhile strategy to increase the number and quantity of the orders. They are unwilling to take risks.

7.0 Expected profit margin

Cost of raw materials:	Rs. 10,000
Expenses:	850
Wages (5 X 500 = 2500):	2,500

Total expenses:	13,350
Sales:	14,000
Profit:	650

8.0 Income, expenditure and balance (2014)

Table No. 4.25

Sl. No.	Month	*Expenditure (Rs.)	Income from sales (Rs.)	Balance (Rs.)
1	September	5,500	6,700	1,200
2	October	8,000	9,600	1,600
3	November	7,000	8,400	1,400

*Expenditure including the wages

9.0 Earnings

On an average, each member earns about Rs. 2000 - 2500 per month – a little more during festival seasons.

10.0 Monitoring and review

Meetings will be held in every Monday for reviewing the performance of the unit. Problems are discussed and solutions worked out. The group has worked out a plan for expansion and diversification. One is to establish a few fishvending booths at appropriate road junctions so that there could be more sales. The other plan is to enlarge and diversify the production of food items. For this, the group has obtained a Food Safety Registration Certificate from the State Government under the Food Safety and Standards Act, 2006.

11.0 Maintenance of records

The group leader claims that accounts of incomes and expenditures are correctly maintained and approved by the members of the group as well as the mother SHG. However, they politely refused the study team to have a look at them.

12.0 Analysis and inferences

Smt. Elsy Henry, the group leader, manages the enterprise without any difficulty. The members are very co-operative and work as a team. As indicated earlier, initially, the group consisted of 10 members. Five of them left during the initial stage itself. Among the rest, two of them were replaced since they were found to be “rebellious”.

Since the group is preparing only food items, they don’t need any special training, yet it is desirable. However, they do need training in enterprise management. On the basis of a training need assessment exercise, TSSS could develop an appropriate module and make arrangements for the course.

4.3 General analysis

The success of a new enterprise is an outcome of the correlations among variables such as the personal characteristics of the members and the leader of the group, their business perspective and skills, their socio-economic and educational background, the nature and structure of the set-up (organisation), the type of products, the environmental factors including the dynamics of the local market, the management process and the support system provided by the sponsoring agency.

The difficulties and challenges in establishing a business enterprise or new venture, the characteristic uncertainty as well as the lack of resources and stability have made some researchers to conclude, that survival of the firm or continuity of the business enterprise, to be the chief dimension of success (Van De Ven, 1984). This may be highly true in the case of the group operated micro-enterprise due to complexity of ownership and operations. A number of studies have suggested that growth (in either sales revenues/turnover or number of employees or both) influenced the future and potential of the enterprise (McGee et al., 1995; Merz and Sauber, 1995). The average monthly turnover growth was taken as the measure of enterprise growth in studies conducted by researchers like Ilavarasan and Levy (2010) and Chew et al., (2011). In group enterprises, the income generated from the enterprise to individual members is also an important measure of performance which would be determined by many factors like demand for the product, cost of production, turnover/total sales receipts and the size of the group.

4.3.1 Enterprises – at a glance

Table No. 4.26

Enterprises – At a Glance

Sl. No.	Enterprise & the Sponsoring Agency	Year of Starting	No. of Group Members	Capital Invested	Products/services	Average monthly earning per head (wage & share in the profit) (Rs.)
1	Matha Vanitha Swayam Sahaya Sanghom, Pozhiyur (TSSS)	Feb. 2010	14	3,94,000	Halwa, mixture, achappam	2000 - 3000
2	Navajyothi, Parasuvackal, Neyyattinkara (NIDS)	April 2005	11	25,000	Lotion, washing soap, toilet soap, dolls, umbrellas, candles, food products, fashion designing, embroidery	2000
3	Kairali, Kuttiyani (Kudumbashree)	2007	13	1,07,000	Washing soap, toilet soap, face pack powder, washing powder, lotion, snacks, curry powder	1,500 – 2,500
4	Greenland, Payattuville (Kudumbashree)	Aug. 2006	10	6,50,000	Copra	2,000 – 3,000
5	Bethesta Activity Group, Payattuville (Kudumbashree)	Aug. 2011	10	3,05,000	Cap, cricket cap, pencil holders, purse, waste box, baskets	1,000
6	Sneha Vikalanga Leather Bag Unit, Cheruvarakonam (MSSS)	July 2009	15	4,00,000	School bag, big shopper, umbrella, candle	1,000 – 4,000
7	Karunya Swayam Thozhil Enterprise, Santhivila, Nemom (Kudumbashree)	Sept. 2006	12	2,55,000	Paper bags, cloth bags, file folder, writing pads, rexin bags	1000 - 1300
8	Matha Garments, Thiruvallom (MSSS)	May 2011	5	2,37,000	Nightly, churidar, pavada, blouse (tailoring unit)	4,000
9	Surya Weaving Enterprise, Perumpazhuthoor (Kudumbashree)	Jan. 2008	5	3,20,000	Dhoti	2,250
10	Navajeevan, Uchakada (NIDS)	Sept. 2005	5	75,000	Toilet soap, washing soap, lotion, washing powder	1,000
11	Jerusalem, Kannanthura (TSSS)	Aug. 2008	5	90,000	Candle, banana chips, papad, chatiyappam, cake	1,000
12	Kavyakala,	May	4	1,40,000	Decorative	2500 -3000

	Chullimanoor (NIDS)	2011			ornaments and dresses for dancers	
13	Lovely Enterprises, Pavathiyavila, Parassala (MSSS)	Dec. 2009	10	4,00,000	Big shopper, jewelry boxes, purses, cell phone covers	3,000 – 4,000
14	Techno world Digital Technologies, Kumarapuram (Kudumbashree)	Sept. 1999	7	3,05,000	Data entry, DTP	Almost nil
15	Deepam Thozhil Unit, Amaravila (MSSS)	Feb. 2008	11	4,000	Products of palmyra leaves: mats, baskets, flower vases, pencil box, water pot, toys, bags	500 - 600
16	Matha Flour Mill, Vattiyookavu (MSSS)	July 2007	5	3,45,000	Flour mill	1,300 – 2,000
17	Real Tech Two-wheeler Driving School, Puthukulangara, Varkala (NIDS)	2010	1	30,000	Driving school	2700
18	Carmalamatha Vanitha VEDI, Puthukulangara (NIDS)	Aug. 2009	4	10,500	copra	500
19	St. Mary's Tailoring Unit, Vennicode, Varkala (TSSS)	May 2010	6	1,19,500	Tailoring unit	4000 - 5000
20	Peniyel Activity Group, Valiathura (TSSS)	Aug. 2007	5	7,03,500	Sweets, cake, wine, pickles	2,000 – 2,500

It is obvious that the surplus income generated per month per head by these units is very low. The sum of Rs. 1000 – 2000 cannot have any appreciable impact on the standard of living of these families. In fact, it is not worth their efforts and not at all attractive according to some of these women. Their work-motivation level is low because of the low returns.

4.3.2 Positive factors that contribute to the stability/success of the units

4.3.2.1 Support provided by the sponsors

It is a fact that the sponsors like Kudumbashree Mission, voluntary agencies such as TSSS, MSSS and NIDS provide almost all the inputs required by these SHG women to set up enterprises and develop them into stable units during the first stage. They provide bulk of the capital or facilitate capital from link-banks, give the members induction training in entrepreneurship, technical skills, production planning and control (PPC) and marketing support. Their supervisors/animators undertake frequent visits to

oversee their performance. Periodic pep talks are arranged to strengthen the work motivation of these groups especially by the voluntary agencies.

Unlike the voluntary agencies, Kudumbashree has developed detailed rules and regulations and procedures in managing the enterprise. These are developed by experts. Participation in the induction training programs is a must for all the aspiring entrepreneurs. The training modules are also developed by experts and sessions are handled by resource persons with experience. Furthermore, Kudumbashree has put in place a very realistic monitoring and review system which is not the case in respect of the voluntary agencies. The marketing support offered by it in collaboration with the local panchayath authorities is admirable. For, the stability and sustainability of the enterprise, mainly depends upon the prompt sale of the products in an incremental manner.

In general, it may be stated that the Kerala Government, NABARD, banks, voluntary agencies and the public in general, are very supportive of SHGs of women and their enterprises.

4.3.2.2 Team work and leadership

One of the contributory factors that has stabilized the units financially and organisationally is the strong leadership exercised by the President/Secretary. These women have opportunities for developing leadership qualities in the NHGs: the frequent training sessions offered, management of the savings and credit scheme, familiarity with banking operations and handling of money, contesting/participating in the election of office-bearers etc. Some of them have inborn leadership qualities, commanding power, organizational ability and problem-solving skills. A few of them have houses and premises sufficient to accommodate the enterprises, which obviously conferred leadership on them and their acceptance by the other members. So, the groups have not much difficulty in working as a team. Almost all the group leaders enjoy a measure of freedom and support from their spouses and grown-up sons and daughters.

4.3.2.3 Division of labour

In respect of work, there is some sort of division of labour among the group members. In general, it is found that two of the members take upon themselves the responsibility of procuring good quality raw materials at reasonable price and bringing them to the leader's house. One notable thing is that the purchases are according to a well-thought-out production plan,

depending upon the nature of orders received from the customers. In most cases, production is decentralized – input materials are divided and taken home for processing. When products are ready, they bring them to the leader's house, counted, priced and packed. Finally, the customer collects the product and makes the payment. Simple production planning, control and marketing without any hassles.

4.3.2.4 Repayment of loan

By and large, the repayment of loans availed of is regular. The study team is not allowed to look at the repayment register and related documents for verification. However, the bank authorities do not have any complaints.

But, the question is whether the repayment installments are taken from the profits generated by the enterprises or from other sources. This has to be checked regularly by the field supervisors.

4.3.2.5 Support from spouses

Spouses and grown-up children render timely support whenever required by the group leader. Generally, they help in buying the raw materials and transporting them to the work spot. Likewise, they help in marketing also in a few enterprises.

Smt. P. Vasanthakumari's (Lovely Enterprises) husband procures the raw materials from shops in Nagercoil and Marthandom and bring them home to Parassala. He assists in cutting the rexin sheets according to specifications and has taken upon himself the responsibility for marketing the products. The same can be said of the spouse of Smt. Pushpakumari (Kavyakala) and the husbands of the members of Surya Weaving Enterprise in Perumpazhuthur. They also do maintenance work of the looms whenever necessary. Smt. Mable's halwa production is done at the kitchen of her house (Matha Vanitha Swayam Sahaya Sanghom) and the business is totally carried out there. There are 14 women in the group and their continued presence in Mable's house is "tolerated" by her husband Sri. Baby Das and tolerated by their husbands also.

List of stable and failing units

Table No. 4.27

Stable/successful units (Per capita income per month is consistently above Rs. 1500)		Unstable/failing units (Per capita income per month is consistently less than Rs. 1500)	
1	Matha Vanitha Swayam Sahaya Sanghom, Pozhiyur	1	Bethesta Activity Group, Payattuvila
2	Navajyothi, Parasuvackal, Neyyattinkara	2	Karunya Swayam Thozhil Enterprise, Santhivila, Nemom
3	Kairali, Kuttiyani	3	Navajeevan, Uchakada
4	Greenland, Payattuvila	4	Jerusalem, Kannanthura
5	Sneha Vikalanga Leather Bag Unit, Cheruvarakonam	5	Techno world Digital Technologies, Kumarapuram
6	Matha Garments, Thiruvallom	6	Deepam Thozhil Unit, Amaravila
7	Surya Weaving Enterprise, Perumpazhuthoor	7	Carmalamatha Vanitha Vedi, Puthukulangara
8	Real Tech Two-wheeler Driving School, Puthukulangara, Varkala		
9	Kavyakala, Chullimanoor		
10	Lovely Enterprises, Pavathiyavila, Parassala		
11	Matha Flour Mill, Vattiyookavu		
12	St. Mary's Tailoring Unit, Vennicode, Varkala		
13	Peniel Activity Group, Valiathura		

4.3.3 Negative factors that cause below average performance

One of the objectives of this study is to investigate into the **positive** factors that contribute to the stability and success of the enterprises set up by the members of women SHGs and the **negative** factors which bring down the surplus incomes generated. Answer to this question emerged out of the analysis done in respect of each enterprise in this chapter, and they are listed here one by one for discussion, based on appropriate theoretical framework.

The term "below average performance" is applied to an enterprise which fails to generate at least Rs. 1500 per head per month consistently. There are several "negative" factors which are responsible for this stunted growth such as:

4.3.3.1 Mismatch

In respect of 9 units, there is a **mismatch** between the capital amount invested and the net income generated as detailed below:

Table No. 4.28

Mismatch between Capital and Net Income

Sl. No.	Name of the Enterprise	Capital Invested	Surplus Incomes Generated per Month per Head (Rs.)
1	Matha Vanitha Swayam Sahaya Sanghom, Pozhiyur	3,94,000	2000 - 3000
2	Greenland, Payattuville	6,50,000	2,000 – 3,000
3	Bethesta Activity Group, Payattuville	3,05,000	1,000
4	Sneha Vikalanga Leather Bag Unit, Cheruvarakonam	4,00,000	1,000 – 4,000
5	Karunya Swayam Thozhil Enterprise, Santhivila, Nemom (Kudumbashree)	2,55,000	1,000 – 1,300
6	Surya Weaving Enterprise, Perumpazhuthoor	3,20,000	2,250
7	Techno world Digital Technologies, Kumarapuram	3,05,000	Almost nil
8	Matha Flour Mill, Vattiyoorkavu	3,45,000	1,300 – 2,000
9	Peniel Activity Group, Valiathura	7,03,500	2,000 – 2,500

Peniel Activity Group has invested Rs. 7,03,500, but the monthly income generated per head is only Rs. 2000 +. Likewise, Greenland (Payattuville) generates only Rs. 2,000 + out of an investment of Rs. 6,50,000. Sneha Vikalanga Leather Bag Unit (Cheruvarakonam) has invested Rs. 4,00,000 generates Rs. 1,000 + per head per month. Occasionally, the income goes up. Matha Vanitha Swayam Sahaya Sanghom (Pozhiyur) generates Rs. 2,000 + out of a capital of Rs. 3,94,000.

This mismatch was pointed out to them and invited their explanations. When the loan amount and the subsidy were received from the banks and the sponsoring agencies, the practice among some groups is to share the loan and the subsidy amount equally among the members of the groups. The money is used for other purposes. The initial expenditure for buying the utensils/equipment and facilities would be collectively met by them. The working capital will be contributed by the members as and when required according to the orders received from the customers. During festival seasons such as Onam, Christmas and market fairs organised by governmental

agencies, additional capital will be mobilized from the family resources for meeting the stipulated increase in production.

On their part, they confessed, there is very little canvassing of orders or initiatives for increasing the sales. They expected the sponsoring agencies to do that job. The net result is less number of orders, less number of working days and consequently lesser returns. There is no conscious effort on their part to optimize the production capacity they have created, thereby, optimizing the profit.

Furthermore, there is no scientific method of pricing the products. No inquiry about the prevailing prices of the same products in the local market and adjusting their prices accordingly to their advantage. Charging a price lesser than the prevailing market price is one of the “blind strategies” adopted by some of them.

Moreover, the production work is mainly manual. Almost all the food products are made in the kitchens of the households which means the quantity of the products cannot be increased beyond a point.

4.3.3.2 Deficiency in business management

It is true that the sponsoring agencies have imparted the group members adequate trade skills in making products, but not in the basics of business management and business outlook. The Supervisors also lack these attributes. In fact, there is no one to clear their doubts and guide them towards scientific management of business. At present, it is a hit or mis-approach.

Educational status

Most of the group members are fairly educated – SSLC, plus two or graduation and hence, capable of learning business principles and methods and maintaining essential records. The sponsoring agencies especially, the voluntary ones do not take this positive factor into consideration and give them appropriate induction training and periodic refresher sessions based on their performance appraisal. The study team found that most of these women have not taken up the enterprises seriously. Their level of business aspirations is low. Some of them prefer MNREGS work.

Table No. 4.29

**Educational Status of
the Members of the Enterprise Groups**

Sl. No.	Educational Status of the Members of the Enterprise Groups	No. of Members
1	Without any formal education	5
2	Primary (1 – 4 Std.)	7
3	Upper Primary (5 – 7 Std.)	10
4	High School (8 – 10 Std.)	76
5	PDC/Plus Two	40
6	Degree (BA/BSc.)	12
7	Post Graduate	2
	Total	152

* Two members have B.Ed. Degree and one has ITI certificate.

The data given in the Table indicates that these women, though they hail from economically poor families, do have basic educational qualifications and the power of comprehension to understand the basics of the management of enterprises. In spite of these advantages, their performance as entrepreneurs is low. They are not properly inducted in the art and science of business management at the micro-level. Among themselves, they don't talk much about business matters and profit making. Their minds are yet to be geared towards business. The much needed **transformation** from being a dutiful house wife to a profit-seeking entrepreneur is yet to take place.

4.3.3.3 Failure to maintain proper accounts

One of the sine qua non for stability and success in business is the prompt and correct accounting of daily incomes and expenditures and finally the balance sheet of the month. Without this, it is impossible to judge whether the enterprise is gaining or losing. During the investigation, the experience of the study team was the refusal-like-reluctance of the group leaders to produce their accounts for reference. The assumption is either they do not correctly maintain the accounts or do not have any accounting system put in place. In the absence of this basic record, the team could not correctly judge whether it is a stable and profit-making or a losing enterprise.

This situation needs immediate correction. The field work supervisor/ animator should ensure the maintenance of correct accounts of

incomes and expenditures and this should be made available for inspection. Third party audit is a must. The sponsoring agencies are at fault in this respect. There is need for repeat sessions on the technical aspects of budgeting, simple accounting procedures, the value of having a regular balance sheet and the importance of auditing for efficient and transparent financial management.

4.3.3.4 Improper maintenance of other records

Kudumbashree units are compelled to maintain certain records and they have to furnish the following reports on the first of every month in the prescribed format to the CDS:

1. Monthly turn over report
2. Asset and liability report
3. Loan repayment report

The CDS will consolidate the reports, evaluate and furnish them to the District Mission on or before the 7th of every month. The District Mission in turn, will evaluate the reports and furnish a consolidated report to the State Poverty Eradication Mission on or before the 15th of every month. One serious lacuna noticed is that the individual units at the ground level do not generally get any **feedback** from the higher authorities. Regarding the enterprises promoted by the voluntary agencies, there is no such compulsion. In other words, the units are not compelled to maintain records related to their business transactions. The Animators do not insist on this.

4.3.3.5 Ignorant of market dynamics

This is true of majority of the enterprises taken up for study. Almost all of them try to play safe. The groups have strictly limited the quantum of their production to the orders received from prospective customers. No appreciable effort is made to promote the customer-base of each of their products. All of them seem to be novices in marketing. What is required is not safe marketing but aggressive marketing based on the demand - supply dynamics of the local market.

Most of these units become active only during festival seasons such as Onam, Christmas and Ramadan and during “vipanana melas” organised by the government, panchayath, municipality and Kudumbashree. As indicated earlier, these enterprises are largely sponsor agency-driven for poverty alleviation and not market-driven. In other words, it is no exaggeration to say that the burden of marketing is either voluntarily taken over by or entrusted to the sponsoring agency. The agencies are aware of this undeclared

assignment and try to do their best but the best is not enough to generate more sales and more income.

It is obvious that one of the (business) limiting factors of production is the present sales practice of limiting the quantity of the products to the orders received. These women are reluctant to take risks. They play safe. Profit will increase only, if sales increase which in turn, will compel to produce more. In other words, business is to be conceived as demand-driven which means demand has to be generated among the targeted customers. Aggressive sales strategies have to be worked out in consultation with experts. There could be a district-wise Marketing Federation of all the micro-enterprise in the area and it should take upon itself the responsibility of creating a market for these products. The Federation could set forth quality standards for each product and determine maximum price, taking into account a reasonable profit margin for these enterprises. The State government can easily initiate the step for developing the district-wise Marketing Federation.

All these enterprises being micro ones, operated with manual labour, the quantum of production is bound to be limited. The products are also of daily use such as halwa, copra, food products, fashion designing and embroidery works, ready-made daily wear, face pack powder, lotion, washing soap, toilet soap, dolls, umbrella, candle, washing powder, dish wash powder, and a variety of curry powder such as chilly, coriander, turmeric, sambar, meat masala and chutney. Obviously, the families in the neighbourhood areas within a radius of 10 km could be the prospective customers for these products provided they are of good quality in attractive packages and with affordable price tag. Residents' Associations, members of the panchayath and other voluntary agencies in the locality can exhort the residents to give these products preferential status in purchase. A committed family market could be created easily.

4.3.3.6 Limitation of work space

Another congenital constraint is the limited capacity of the kitchens in the houses to increase the quantum of food products or the lack of space in the house and its premises to increase the non-food items such as washing soap, toilet soap, lotion, etc. in case there is any phenomenal increase in the demand for these products. Six units suffer from limitation of adequate work space.

4.3.3.7 Size of the group

The operational size of the enterprise namely the quantum and variety of products made, the monthly sales turn over and the number of members of the group who share the profit are correlated and deterministic in respect of the per capita share of the monthly income. For instance, the Matha Vanitha Swayam Sahaya Sanghom has only one main product at present namely, halwa. At a time, the available facilities in the group leader's kitchen allow only four people to work. Which means, the other ten are kept idle at that time. Hence, they are compelled to work by rotation. In the absence of regular orders from clients, the monthly sales turnover is very low, very often and consequently, per capita income ranges between Rs. 2000 – 3500. Increase in the income can be achieved only either by reducing the number of members of the group or by enlarging the production facilities in the kitchen or outside in a work shed.

Likewise, the Navajyothi unit had 11 members in the beginning and they made a variety of products such as lotion, washing soap, toilet soap, dolls, umbrellas, candles, food products, fashion designing and embroidery works. Due to improper management, the unit started declining and presently the work is confined to the production and sale of candles. The total investment is only a loan of Rs. 25,000 and out of the income generated, repayment installments have to be remitted regularly. Obviously, the incomes generated have to be shared by 11 members. There is a mismatch between the size of the unit in terms of capital (Rs. 25,000) and the number of claimants (11). No wonder, 7 members gradually opted themselves out of the group.

4.3.3.8 Lack of mechanization

Another lacuna is the lack of mechanization in the production process. Three food production units taken up for study are manually operated with necessary utensils and tools. There is scope for mechanizing the kitchen with modern cooking gadgets so that the quantum of production could be increased and the quality of the products standardized. There are two copra units, almost dysfunctional during rainy seasons. Mechanical dryers will be helpful to protect the quality of the kernel. **Lack of mechanization is a limiting factor of the future growth process of the enterprise.** Loans are available for appropriate mechanization of these enterprises.

4.3.3.9 Informality

Except two units, the others do not have any name boards. None of them have any letter heads worth mentioning nor offer any receipts for

payments received. The study team purchased four kg. of halwa from a unit, paid the price immediately but no receipt was given. It seems that the business deals are almost informal.

It is said that the first step towards making an enterprise scientific and successful is to change from informality to formality in all dealings and activities. This has to be emphasized at all induction training programmes.

4.3.3.10 Flaw in the pricing of the products

It is obvious that this is a task which has to be done very carefully taking into consideration several factors such as the production cost per unit of the particular product, the prevailing market price in the neighbourhood, the competitive nature of the market in respect of this particular product and finally the margin of profit due to them for their labour. In fact, they have not been taught about the subject of pricing. They simply use their common sense. Most of them believe that the price of their product should be less than the market price so that it will attract the customers. No price tags are attached to any product. They are not taught the rules governing packaging and pricing. The net result is self-denial of the profits due to them.

4.3.3.11 Risk neutral

Being novices, these women are reluctant to take risks especially in marketing. That is why, they prepare products only after receiving orders from prospective customers. They are keen on protecting the working capital. Though availing loans from banks involves risk, they are confident that they would be able to repay from other sources, if necessary. At present, they **feel protected** thanks to the strong patronage of the State Government/the powerful sponsoring agencies.

4.3.3.12 Ignoring the project proposal

The leaders and members of the groups do not realise the importance of the approved project proposal. They have to understand that the management of the enterprise should be more or less according to the principles and procedures stipulated in the proposal. Financial viability could then be assured which will stabilise the unit and will make it sustainable. The study team could not go through even one project proposal. Almost all the leaders have no clear idea of the content of the proposals. Some of the enterprises promoted by the NGOs do not have any proposal at all. This is very unscientific business management.

4.3.3.13 Instrument for soft loans

In respect of a few units, it is felt that they are being maintained not because of their business ambitions but as a convenient instrument for availing soft loans from their self-help groups, link banks and subsidies from the sponsoring agencies. One unit has availed itself of a loan of Rs. 7,00,000 just for petty business in food items such as sweets, cake, different types of pickles with an average per capita monthly income of Rs. 2,000. But they are very careful in the prompt repayment of loans availed of so much so the banks are happy with these bankable women. In sum, it can be stated that their primary concern is not the consolidation and systematic development of the income generation capacities of the units but make them as an instrument for availing of regular loans from link banks and subsidies from the sponsoring agencies and often divide the loan amount equally among themselves.

4.3.3.14 One “woman” show

It happened in one group during the months of September, October and November 2014. Its products consist of sweets, cake, wine and different types of pickles – ordinary food items. Presently, the group consists of 5 members.

Quite unexpectedly the group leader’s husband took ill and had to be hospitalized for about two months. Obviously, the leader had to be in the hospital to attend the patient. In her absence, the group lost its drive and momentum and its business activities came to a halt for about two months with zero business transactions. Of course, there was no complaint – not even a murmur from the members.

Looking at this event from a business management point of view, one “wonders” why the other members did not take the initiative and the courage to manage the business (which was in running condition till then) in the absence of the leader? Were they mere blind followers of the leader?

4.3.4 Research questions

As an adjunct to the objectives, there are four basic questions on some of the important aspects of promoting and managing micro-enterprise among women who belong to the lower stratum of society. Data-based answers to these questions are given below:

4.3.4.1 A policy issue

As a policy, should the promoting agency discourage group enterprises because it is found that a good number of such enterprises fail mainly due to intra-group conflicts, lack of strong team spirit, and weak leadership?

This is one of the basic questions raised in this project proposal along with the objectives. Of the 20 enterprises taken up for study, 13 of them may be considered as stable/successful because they generate consistently Rs. 1500 or more per capita per month as surplus income. Among these, three are owned and managed by individuals namely: Smt. Vasanthakumary (Lovely Enterprises), Smt. Pushpakumary (Kavyakala) and Smt. Unnimary (Realtech). The rest (10 units) are group enterprises with strong leadership and inter-personal relationships. The other seven units are weak/failing units not because of intra-group conflicts and weak leadership. The lacuna in respect of most of the 20 units is that neither the leadership nor the group members are sufficiently oriented in the basic principles and methods of scientific business management.

4.3.4.2 Which perform better

The second question is a little bit hypothetical: “Are enterprises promoted by governmental agencies such as Kudumbashree Mission, Sasthra Sahithya Parishat, State Women Development Corporation perform better than those promoted by non-governmental agencies because of better resources and statutory status and rights?”

Being a case study, the number of enterprises selected for study is limited to 20. Out of these, 6 are promoted and supported by Kudumbashree. Based on the limited data available with the study team, 4 units (Kairali, Greenland Surya and Matha flour mill) are found to be financially and organizationally stable and they consistently generate surplus incomes (wages and share of the profit) above Rs. 1500 per head per month. The other three (Bethestha, Karunya and Technoworld) are declining units in spite of the strong support given by Kudumbashree.

Out of the 14 units supported by voluntary agencies, 9 are stable and successful and generate a monthly income of more than 1500 per head. (Refer Table No. 4.27) Four are declining units. The hypothetical assumption is not tenable.

4.3.4.3 Whether a rethink is needed

The third question is of contemporary significance in view of the fast changing labour market and wage structure, especially in Kerala. This is the question: Micro-enterprise in general, generate small daily incomes of Rs. 75 – 125 per head which is much less than what these women could earn if they go out for doing casual work in the construction sector, domestic work, shops and commercial establishments which usually fetch Rs. 250 – 300 per day. On the basis of this reality, is there need for a rethink about promoting micro-enterprise spending money, time and energy?

The study team feels that there is need for a rethink. MNREGS in Kerala provides Rs. 210 for a day's work. Domestic work fetches Rs. 250 – 350 per day from two households with food and other fringe benefits such as bonus, ex-gratia payments, and occasional gifts. Work as a helper in the construction sector provides Rs. 450 – 500 per day. However, in the cultural milieu in our society self-employment is to be preferred to wage employment. The process of entrepreneurship and enterprise management with the objective of optimum profit generation has the potential power and ingredients to empower the women to achieve "self-realisation" (Abraham Maslow). The sponsoring agencies should ensure the rapid transformation of the micro-enterprise into a highly successful business unit so that women can earn decent income through "decent work" (ILO).

4.3.5 The best practices

Another objective of the study is to identify the **best practices/innovative practices** in management prevailing among successful enterprises and document them for the benefit of others. The concept "best practice" indicates "methods or techniques found to be the most effective and practical means in achieving an objective (such as preventing or minimizing pollution) while making the optimum use of the firm's resources".(businessdictionary.com)

A **best practice** is a method or technique that has consistently shown results superior to those achieved with other means, and that is used as a benchmark. In addition, a "best" practice can evolve to become better as improvements are discovered. Best practice is considered by some as a business buzzword, used to describe the process of developing and following a standard way of doing things that multiple organizations can use.

Some consulting firms specialize in the area of best practice and offer pre-made 'templates' to standardize business process documentation. Sometimes, a "best practice" is not applicable or is inappropriate for a particular organization's needs. A key strategic talent required when applying best practice to organizations is the ability to balance the unique qualities of an organization with the practices that it has in common with others. (Wikipedia)

As indicated earlier, the study team has been carefully examining the practices adopted by the groups of the 20 enterprises in respect of the various functional components of enterprise management for generating surplus incomes.

4.3.5.1 The selection process of prospective entrepreneur groups

Kudumbashree tries to enroll only those women who have strong motivation and courage to take risks in order to set up enterprises. The selection process is well thought-out and meticulously carried out. According to some experts, "Kudumbashree provides support and incubatory services to its micro-entrepreneurs in the initial stages as a part of hand-holding strategy. This approach helped hundreds of micro-enterprise to stabilize their operations." (Murali Nair, Ralph Brody, Antony Palackal, Grassroot Development Establishing Successful Micro-enterprises Kerala Experience, 2007, Human Network Publication, 6975 Navajo Trail, Cleveland, Ohio 44139, USA)

One of the main reasons for the stability/success of the enterprises is the process followed in selecting and developing the entrepreneurs. The initial **brainstorming sessions** at the NHG meetings generate a number of project ideas as well as potential entrepreneurs. This exercise gives the participants exposure to the various facets of enterprise development. **The second round is a six-day programme which focuses on all the major areas of enterprise management. The third step is inviting project proposals from the participants.** No compulsion. The proposals received are **vett**ed at three stages (the particular Kudumbashree group, Area Development Society and the Community Development Society) before being presented to the banks. The bank branch completes all formalities such as pre-sanction inspections and if approved, issues a formal sanction letter and loan account number. The particular CDS would forward the sanction letter and loan account number and an abstract of the loan application in the prescribed format along with the following documents to the District Mission Coordinator:

- Individual/group photograph
- Copy of the Ration Card/Voters" ID Card
- Detailed project proposal with cash flow statement

The District Mission Co-ordinator forwards the documents to the State Poverty Eradication Mission with specific recommendation for sanctioning the eligible subsidy. The Mission, if approved, will sanction the eligible subsidy (up to Rs. 10,000) and forward the amount by Demand Draft to the loan account of the enterprise group to be used as back-end subsidy.

Upon receipt of the loan amount from the bank, the applicant/group should set up the enterprise unit within 15 days.

4.3.5.2 Monitoring and review system

The enterprise should furnish the turn over report, asset and liability report and loan repayment report on the first of every month, in the prescribed formats to the CDS.

The reports will be evaluated by the CDS, the District Mission and the State Poverty Eradication Mission before the 15th of every month. At the ground level, the Community Income Generation Activity Volunteer is the grass root level functionary who supervises the performance of the units and initiates upward communication

4.3.5.3 Mobilization of capital

The capital required by these 20 enterprises and similar ones were mobilized without any hassles. Kudumbashree promoted units got capital based on the **merits** of the proposals. The proposals were vetted at several stages by experts and sanctioned. If approved, the enterprises will also get a subsidy. This procedure or "practice" may be considered as a "best practice" in respect of capital mobilization because merit of the project proposal is the main criterion for sanctioning money.

4.3.5.4 Team work and leadership

The self-help groups through their manifold activities and training programmes, have succeeded in promoting strong leadership qualities among a good number of women. The group dynamics and the patronage extended by the supporting agencies has provided the opportunities, energy and the

synergy. Among the 40 group leaders selected for assessing their empowerment status, it is found that many have very good commanding power over the other members of the group and hence, control their activities in favour of the enterprises. Promoting group as the setting and source of synergy for human resource development can be considered as a best practice in human resource development.

4.3.5.5 Marketing strategy

The success and sustainability of an enterprise basically depends upon the effectiveness in marketing the product thereby ensuring steady returns. Almost all these enterprises are being managed by **first generation entrepreneurs** – housewives who are strangers to business strategies and marketing techniques. Hence, it is the bounden duty of the sponsoring agencies to lend support in the sale of products and ensure steady incomes. In this respect, the initiative taken by Kudumbashree is admirable. It has formulated a project titled, “**Sales and Marketing Enterprises (SME)**”. Accordingly, enterprises can organise marketing melas, product distribution agencies, retail selling shops, shopping networks and constitute event management groups for which financial support up to Rs. 5,00,000 (as loan and a subsidy) is available.

In this context, MSSS has also taken some initiatives to promote marketing through a chain of retail shops with support from NABARD.

It is understood from their own statements that most of the group members are also participants of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) and apportion their working hours between household chores, enterprise and MNREGS. Some of them are business-conscious and explore buyers among the participants of the employment scheme. They do succeed. This could be emulated by others also and market their products according to a well-thought out sales plan.

In this chapter, the findings of the analysis of data are listed and their implications are discussed in detail in a theoretical background. And recommendations wherever appropriate. The overall finding is that the 20 units selected for in-depth case study cannot be termed either as successful units or as failing units. They are live units generating moderate income, ranging between Rs. 2000 – 4000+ per month. Obviously, this income can be labeled as “meager” when we take into consideration, the efforts involved and the man-hours of work done during the month. This earning may be

considered as a supplementary income for the family to meet contingent expenses.

4.3.6 Conclusion

In spite of difficulties in collecting **financial data** regarding the working of the 20 enterprises, the study team was able to probe into the working of these units basically through sharp observations, indirect questions and verification through cross checking the individual responses. The conclusion is that these are live units with a low profile, generating low surpluses which are shared as wages/profits by the members without any complaints. Value addition to the raw materials is minimal and naturally, the incomes are also bound to be low. Basically, all these women are highly committed housewives, engaged deeply in domestic chores. Presently, entrepreneurship and business management is only a supplementary leisure-time activity for which two or three hours per day for two or three days per week are set apart.

In fact, most of these units taken up for study are non-descript ones without any speciality or merit. They have not shaped themselves into typical income generating enterprises with its special characteristics such as project proposal (except Kudumbashree) to guide and control the business activities, flawless accounting system of incomes and expenditures and compiling quarterly balance sheets not even attendance registers and payment registers, target setting for a month, self-criticism and performance appraisal, data-based price fixing, attractive packaging and branding and seeking feedback from the customers regarding their satisfaction or dissatisfaction.

A few of them are ambitious and dream of bigger and better enterprises and expect the sponsoring agency to take up the burden and the initiative. If that materializes (hope it will), they will certainly follow suit.

Chapter V

Empowerment: An Assessment

5.0 Gender perspective of the study

Since the study is on the enterprises managed by groups of women, it is imperative to look at the groups and their business prowess from a gender perspective. Basically, they are highly devoted housewives, guided and controlled by religious, cultural and social norms. The typical Kerala family is male-dominated and functions according to the patriarchal system. Obviously, women have only a secondary status in most of the households especially in the case of women with no or less formal education, employment or other sources of income. This aggravates her dependency and denies her opportunities for self-expression and development. Kudumbashree and other innumerable self-help groups promoted by voluntary agencies and banks have broken this impasse since 1999. For the first time in their lives, these women have access to money as soft loans and exposure to welfare/developmental schemes of the State and the Central governments and incessant training programmes on leadership, team work, financial management, banking and entrepreneurship, leading to innumerable activities outside the home premises. Their spouses were, in fact, overwhelmed by the initial glamour and the substantive benefits offered by the government and the voluntary agencies. Political support to NHGs/SHGs is another pull factor in bringing women out of the domestic environment and into socially active groups.

In this chapter, the degree of empowerment attained by the leaders of the groups who manage the enterprises is statistically assessed and analysed. Empowerment attained by these women could be largely due to the group dynamics and the socialization impact of SHGs and the day-to-day work-related problems and the risks undertaken by them. Crises and conflicts do empower.

From a sociological point of view, women who are engaged in income generation activities, taking risks in business are in a **transformation process** of getting empowered – economically and socially. Sociological point of view indicates the gender inequality between men and women in the family and in every activity in society. It is a dominant-submissive relationship between men and women, and the latter become dependent on the former, especially

among the socially backward families. The question is whether regular participation in self-help groups and their multi-dimensional activities enable these women of poor families to move towards worthwhile achievements, thereby get better status in the family and outside.

Gender equality in a predominantly patriarchal society in India - Kerala is obviously a distant goal but, a measure of empowerment and consequent personality development is possible and these are being achieved by most of these women taken up for study: leadership quality and commanding power over other members of the group, self-confidence, courage to take risks, decision-making skills, problem-solving skills, negotiating skills, communication skills and initiatives when action is needed. The group enterprise, being a social sub-group within the larger SHG, could generate lot of collective synergy and obviously, the individual members feel secure and stronger. Furthermore, the support of the promoting agency is another factor which infuses courage and confidence.

The SHGs and the enterprises have enabled the participant women to share their personal experiences with others. This has transformed, to some extent, their feeling of hopelessness into a feeling of being part of a collective strength and spirit. They are able to develop a feeling of social security and acceptance according to Dr. Vasanthakumari (See Appendix A). The concept of empowerment – its definitions, various characteristics, variables that contribute to empowerment are dealt with in detail, in the literature review chapter.

5.1 Scale of empowerment

Empowerment is something, which cannot be measured in one aspect namely, in relation with employment. It has to be measured in a wider perspective. In this study, empowerment is measured as the sum total of social, economic, entrepreneurial, political, legal, knowledge autonomy, personal autonomy and gender.

In order to assess the level of empowerment presently attained by the group leaders of the SHG enterprises taken up for study, a scale has been developed, based on the theoretical foundation of the concept of “empowerment” as applied to women. The scale consists of 47 items in the form of statements with a five-point scale (Likert) for response. The choices in the scale are “strongly agree, agree, somewhat agree, disagree and strongly disagree.” The 47 items have been arranged in 7 groups; each group related to one of the seven components of empowerment indicated

above. Care has been taken to avoid double-barreled statements. The scale measures 7 components of empowerment as indicated below:

Table No. 5.1

Components of Empowerment

Sl. No.	Components of Empowerment	No. of Items in the Questionnaire
1	Social	6
2	Economic	6
3	Entrepreneurial	15
4	Political	4
5	Knowledge autonomy	5
6	Personal autonomy	6
7	Gender autonomy	5
	Total	47

The scores obtained under each component represent **the level of empowerment attained in the respective domain**. Summation of all these scores obtained under each of the 7 components would evolve as a **score for total empowerment**.

Reliability and validity of the scale formulated was tested on a sample using Chronbach's Coefficient Alpha. The final summative scale of 47 items of empowerment has a Chronbach's Coefficient Alpha of 0.882. (Appendix E)

5.1.1 Social empowerment (SE)

Social empowerment reinforces the ability to participate economically and politically, which, in turn, reinforces women's standing in society. The barriers preventing women's empowerment are many. In our highly valued patriarchal society, women were/are (in many families) brought up in the backyard of the home. To break down these barriers, women have to work together to reform the laws and social norms. SHG/NHG, however, strives hard to bring them to the main stream of society.

The study measures social empowerment with certain concepts and principles. It implies that women are empowered when they involve themselves in various social activities, public speaking, contributing their services to community welfare etc. Therefore, the first question was based on their public participation and how the SHG has helped them reach that level. Another aspect of social empowerment is their initiatives in getting redressal of public grievances from the authorities concerned. Approaching complaint redressal agencies like police station, courts, vanitha commission etc.,

were also measured. Active participation in „Grama Sabha/Ward Samithi and in socio-cultural programmes was included in this head.

Table No. 5.2

Social Empowerment			
		Frequency	Percentage of attainment
Valid	Medium	1	2.5
	High	39	97.5
	Total	40	100.0

5.1.2 Economic empowerment (EE)

Economic empowerment can provide the clout for women to be empowered. In this category, income and expenditure and its administration, profit, investment, self-reliance and expansion of projects were measured with 13 questions on a 5 point scale.

Table No. 5.3

Economic Empowerment			
		Frequency	Percentage of attainment
Valid	Medium	1	2.5
	High	39	97.5
	Total	40	100.0

5.1.3 Entrepreneurial empowerment (ELE)

Women's business associations are an example of one opportunity for women to empower themselves. By networking to build better business, women gain economic empowerment. By associating with each other in a business association, women become part of civil society and can have a strong voice when advocating for policies that will benefit their lives and business. When they have economic and political power, they become members of mainstream society.

Entrepreneurial aspect is a critical one. In a highly value-oriented society, women are often aloof from many jobs. Many aspects of entrepreneurship are a vital one to choose a project. From initiation of project to establishment were asked in 10 questions and measured. Licence, registration, choosing a suitable project for self-employment, place of

employment, technical knowledge of the project, production, labour, marketing etc., were measured in this empowerment category.

Table No. 5.4

Entrepreneurial Empowerment			
		Frequency	Percentage of attainment
Valid	High	40	100.0

5.1.4 Political empowerment (PE)

Political empowerment allows women to take control of the policies that will benefit their economic standing. Women's political empowerment, usually envisioned as political participation in elections and government, is necessary to give women a voice in the policies that affect their lives. Women's economic empowerment, which entails that women have the authority to make their own decisions regarding use of their resources, leads to prosperity for families and communities. Social empowerment, often achieved through public policy and education, liberates women from the mistreatment, exploitation, and oppression that inhibit women from attaining their full potential.

The political empowerment of the leaders of SHG was measured on a five point scale with 4 questions.

Table No. 5.5

Political Empowerment			
		Frequency	Percentage of attainment
Valid	Medium	1	2.5
	High	39	97.5
	Total	40	100.0

5.1.5 Knowledge autonomy (KA)

Knowledge autonomy is considered as the entrepreneur gets vital technical knowledge of her product from production to marketing; price fixation; wages; the need of keeping bills, registers etc. In this category 5 questions were asked to get their opinions.

Table No. 5.6

Knowledge Autonomy			
		Frequency	Percentage of attainment
Valid	Medium	1	2.5
	High	39	97.5
	Total	40	100.0

5.1.6 Personal autonomy (PA)

Mainly PA intends to assess the autonomy for enjoying freedom and decision-making beyond their businesses. Familial aspects, emotional aspects, movement and such things were assessed on a five point scale. A total of six statements were given to the respondents.

Table No. 5.7

Personal Autonomy Ordinal			
		Frequency	Percent
Valid	Medium	1	2.5
	High	39	97.5
	Total	40	100.0

5.1.7 Gender-based autonomy

If someone “gives power” to another, then someone else can take it away. That is not the solution to achieve women’s empowerment. To be fully empowered, women have to take power and keep it for themselves. To share and do everything with men is the ideal in this category of empowerment. There were five questions based on dominant-subordinate relationship; challenges faced with men; participation in almost all the areas where men dominated; different roles in family and fighting against social evils.

Table No. 5.8

Gender Related Autonomy			
		Frequency	Percentage
Valid	Medium	7	17.5
	High	33	82.5
	Total	40	100.0

5.1.8 Summary of the empowerment status attained

Table No. 5.9

Sl. No.	Component of empowerment	Percentage of empowerment attained
1	Social	97.5
2	Economic	97.5
3	Entrepreneurial	100
4	Political	97.5
5	Knowledge autonomy	97.5
6	Personal autonomy	97.5
7	Gender-based autonomy	82.5
	Average attainment	95

Data were collected from 40 leaders of the enterprises promoted by Kudumbashree, TSSS, MSSS and NIDS. Most of these women have formal education up to SSLC/Plus two and a few of them are graduates. Which means, they could understand the questions– their meanings and significance and make their choices. They were not informed that the questionnaire was intended to measure the degree of empowerment they had attained.

The average percentage of empowerment attained is 95 which, indeed is pretty high. Among the 20 enterprises taken up for in-depth study, the investigators came across several women with high degree of leadership traits and commanding power over the rest of the group members. They could strongly influence their thinking and behaviour. What they need is encouragement from the spouses and opportunities to learn and achieve which SHGs and the sponsoring agencies can provide or providing at present.

5.2 Transformation of women into leadership and empowerment

Leadership is a phenomenon which emerges in a group situation. No wonder, an SHG with a membership of 15 – 25 members breeds a few leaders through its manifold programs and activities guided by certain objectives, framework and supervision. The dynamics of guided group interactions and multiple role responsibilities inevitably generates leadership traits among the members. Since there are opportunities for official positions endowed with legal power such as President, Vice President, Secretary and Treasurer and these positions are filled up through periodic elections, there is every chance for vibrant women to occupy positions and wield authority. This is the first stage towards leadership and empowerment.

The second stage created by the opportunities provided by the sponsoring agencies is to set up enterprises for generating additional incomes. Conceiving and managing an enterprise in a business-like style necessitates the development of business skills such as planning the enterprise, organizing the resources – (material, financial and human), directing (ie. initiating and guiding the activities), controlling through supervision, monitoring and review. These are all pastures new which provide ample opportunities for these “kitchen-maids” to enhance their leadership qualities and wield position power and personal power.

5.2.1 Transformational leadership

“Transformational leadership is a style of leadership where the leader is charged with identifying the needed change, creating a vision to guide the change through inspiration, and executing the change in tandem with committed members of the group.”(Wikipedia, 2014)

Transformation did not happen in a day or two, it happens through various processes. Women who belong to poor socio-economic strata, and who have no skilled employment of their own, once entered in SHGs, gradually become empowered. The process of empowerment leads to the formation of a leader. This transformational leadership serves to enhance the motivation, morale and job performance of followers through a variety of mechanisms. The transformed leaders enhance their followers’ sense of identity and self to the SHG and the collective identity of the group.

In SHG, it may be observed that the women-leaders become role models for their followers, in order to inspire them and raise their interest in small productive activities.

Attitude Towards Women Scale (ATW Scale) is constructed to measure the extent the women leaders of SHGs, get transformed through various stages in their career as leader.

5.2.2 Description of the ATW- scale

The ATWSL scale consists of 17 items in the form of statements with a five-point scale for response. The choices in the scale are “strongly agree”, “agree”, “somewhat agree”, “disagree” and “strongly disagree”. These 17 items have been selected to measure the different aspects of transformation.

Table No. 5. 10

Sl. No.	Transformation Factors
1	Behavioural factors
2	Communication
3	Entrepreneurial traits
4	Self confidence
5	Systematic work
6	Study other enterprises
7	Support of group members
8	Expertise in production process
9	Expertise in production technology
10	Participation in sales exhibitions
11	Through training
12	Through accounting
13	Through conciliation of other members
14	By making other members work
15	Through facing challenges
16	By taking others on faith
17	By taking risks for change

5.2.3 Standardisation

Based on literature review and discussion with experts, the list of seventeen elements of transformation was prepared. Relevance and clarity of items were strictly adhered to establish their face validity and were judged by the study team. Malayalam is used as the language and special care had been taken to make the items simple to suit the level of comprehension of the respondents. Based on the suggestions that evolved at the brain-storming session convened with experts, certain test items were modified and a few were eliminated. Collective consensus was obtained on the draft scale and it was put to a pre-test. A structured interview schedule was prepared and tested in the field with five successful women leaders of SHGs. This was done to ensure content validity and in the light of the pilot study, the research team decided to reduce the items from 29 to 17. For the purpose of standardizing the scale, a sample of 40 leaders of 40 SHGs (simple random sampling) were interviewed and data were collected.

5.2.4 Technical information of ATW-scale

(a) Reliability

Data from women-leaders of 40 SHGs were collected to establish Reliability and validity for the ATW-scale. Chronbach's

coefficient Alpha was used to assess the reliability of the scale. The scale had a Chronbach"s coefficient Alpha of 0.908.

(b) Validity

1. Face validity

The scale was scrutinized by a small group of college teachers (who undertake and guide research projects) to establish its face and content validity.

2. Convergent validity

The scale has convergent validity since the transformational leadership measured, using the scale, is found positively correlated with the empowerment variables. The assumption here is that the women who are more transformed into leaders are more empowered (and vice versa). Pearson Correlation coefficient, 0.571 at 0.01 level of significance, shows that it is statistically significant.

Table No. 5.11

Correlations			
		Empowerment	Transformation variable
Empowerment	Pearson Correlation	1	0.571**
	Sig. (2-tailed)		0.000
	N	40	40
Transformational variable	Pearson Correlation	0.571**	1
	Sig. (2-tailed)	0.000	
	N	40	40
**. Correlation is significant at the 0.01 level (2-tailed).			

In this study of transformation of leadership, the variables given in the following Table have been found strongly influencing the women in the SHGs of Kerala.

Table No. 5.12

Factors of Transformation of the leaders of SHGs

Transformation Factors	Strongly Disagree %(Frequency)	Disagree %(Frequency)	Somewhat agree %(Frequency)	Agree %(Frequency)	Strongly Agree %(Frequency)
Behaviour	0.0(0)	0.0(0)	17.5 (7)	35.0(14)	47.5(19)
Communication skill	0.0(0)	0.0(0)	5.0(2)	30.0(12)	65.0(26)
Entrepreneurial skill	0.0(0)	2.5(1)	5.0(2)	40.0(16)	52.5(21)
Self Confidence	0.0(0)	0.0(0)	2.5(1)	22.5(9)	75.0(30)
Systematic work	0.0(0)	0.0(0)	2.5(1)	30.0(12)	67.5(27)
Study other Enterprises	5.0(2)	0.0(0)	7.5(3)	32.5(13)	55.0(22)
Support of group members	0.0(0)	0.0(0)	27.5(11)	25.0(10)	47.5(19)
Expertise in production process	2.5(1)	5.0(2)	12.5(5)	25.0(10)	55.0(22)
Expertise in production technology	0.0(0)	2.5(1)	35.0(14)	40.0(16)	22.5(9)
Participation in sales exhibitions	0.0(0)	2.5(1)	15.0(6)	30.0(12)	52.5(21)
Through Training	2.5(1)	0.0(0)	15.0(6)	22.5(9)	60.0(24)
Through accounting	0.0(0)	0.0(0)	12.5(5)	27.5(11)	60.0(24)
Through conciliation of other members	2.5(1)	0.0(0)	10.0(4)	30.0(12)	57.5(23)
By making other members work	2.5(1)	0.0(0)	10.0(4)	40.0(16)	47.5(19)
Through facing challenges	0.0(0)	0.0(0)	12.5(5)	40.0(16)	47.5(19)
By taking others on faith	2.5(1)	0.0(0)	12.5(5)	45.0(18)	40.0(16)
By taking risks for change	0.0(0)	0.0(0)	22.5(9)	25.0(10)	52.5(21)

The sample of 40 leaders of various small business and ventures in the universe was computed then and assessed their transformation as low, medium and high. The table below shows that the women SHGs have very high transformation (87.5) as against medium transformation (12.5). None of them have low transformation.

Range.

Maximum score is calculated by multiplying all items into 5 and thus the maximum score is 85. Minimum score is $17 \times 1 = 17$. Range is thus 68 divided by 3. Low comes between 1 to 22, medium comes between 23 to 45 and the high comes to 46 to 68.

Table No. 5.13

Transformed Leadership					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Medium	5	12.5	12.5	12.5
	High	35	87.5	87.5	100.0
	Total	40	100.0	100.0	

Table No. 5.14

Reliability Statistics	
Cranach's Alpha	N of Items
0.908	17

The scale has convergent validity as the empowerment measured using the scale is positively correlated with the transformation variable. The assumption here is that the women who are more transformed into leaders are more empowered. Pearson Correlation coefficient, 0.571 at .01 level of significance, shows that it is statistically significant.

Chapter VI

Findings, Recommendations and Conclusion

The term micro-enterprise refers to, “Industrious, systematic activity, especially when directed towards profit.”

- The Free Dictionary by Farlex

6.1 The focus and objectives of the study

The study is primarily concerned with the social impact of peer groups on women of marginalized sections of society under the SHG scheme of the government. One step ahead, the study examines the impact of poverty alleviation schemes undertaken by women individually and as a group, in respect of their economic empowerment and its cascading effect. Obviously, the study looks ahead further in order to indicate the path ahead for these women to tread.

Accordingly, the objectives were formulated and case study is the prime investigative method since it gives a holistic perspective of the entire dynamics of change and growth experienced by these women – the change triggered by planned group activities through SHGs and profit-oriented income generation enterprises in a competitive market.

Data were collected largely through semi-structured interview schedules mainly from the leaders of the group enterprises, interactive sessions with the group members, observation of the work and the work places and the few records made available by the groups. Interview guides were used for discussions with the top officials of the sponsoring agencies namely, Kudumbashree, TSSS, MSSS and NIDS. This was just to understand and assess the roles played by them in promoting and supporting the enterprises taken up for study. In order to assess the degree of empowerment attained by the leaders of these groups, a scale was developed, its reliability and validity tested and administered. Another interview schedule was used to understand the correlation between the dependent variable namely, empowerment and the various independent variables (factors) which contributed to their empowerment.

The universe consists of all the micro-enterprise that are live and which are promoted by SHGs (governmental and non-governmental agencies) in

Kerala. However, this study is limited to the enterprises in Thiruvananthapuram District due to time and resource constraints.

The study team during its first and second visits could not identify “successful” units according to the criteria listed above. Visited 40 and odd live units and found them neither successful nor failing units. They are live because they are working, producing consumables but on a low key with low returns. There is no way of categorising them into successful or failing units because they exist for more than three years. Hence, out of this 40, 20 were selected **randomly as samples** for the study.

6.2 Theoretical background of the study

The theoretical background of the study is obvious. The group dynamics of SHGs socializes the kitchen-bound women of families which are economically and educationally marginalized. The forum provides ample opportunities for mutual education through interactive sessions and also formal training programmes frequently offered by the sponsoring agency. Thrift and savings provide the basic lessons in money management. Link-banks make them bankable. Micro-enterprise open-up opportunities for risk-taking, decision-making, problem-solving and management of production, marketing and earning profit. The sum total of all these meaningful activities is the enrichment of the personality of the women, leading to their empowerment and self-management. This study examines the chemistry of this evolution process towards a symmetrical family roles and relationships overcoming the traditional gender-bias and subordination.

6.3 Data collection

Enterprises promoted by Kudumbashree project of the State Govt. and four prominent NGOs of the Trivandrum District were selected for the study. Only those units that were live and financially stable for the past three or more years were selected from Kudumbashree and voluntary agencies -altogether 20 units, producing a variety of products such as halwa, pickles, banana chips, papad, chattiyappam, cake, chilly, coriander, turmeric, sambar powder, meat masala, chutney, copra and lotion, washing soap, toilet soap, dolls, umbrellas, candles, tailoring, fashion-designing and embroidery works, palmyra leaf-based fancy products such as ordinary cap, cricket cap, pencil holder, purse, waste box, different types of basket, school-bag, big-shopper, cloth bag, rexin bag, handloom, mats, jewelry boxes using rexin and purses and cell phone covers and services such as data entry, DTP work and training for two-wheeler driving.

6.4 Findings

- 6.4.1** The four sponsoring agencies namely, Kudumbashree Mission, voluntary agencies such as TSSS, MSSS and NIDS provide almost all the inputs required by these SHG women to set up enterprises. They provide bulk of the capital or facilitate capital from link-banks, give the members induction training in entrepreneurship, technical skills, production planning and control (PPC) and marketing support. Their supervisors/animators undertake frequent visits to oversee their performance. Periodic pep talks are arranged to strengthen the work motivation of these groups, especially by the voluntary agencies.
- 6.4.2** Unlike the voluntary agencies, Kudumbashree has developed detailed rules and regulations and procedures in managing the enterprise. Participation in the six-day induction training program is a must for all the aspiring entrepreneurs. The training modules are developed by experts and sessions are handled by resource persons with experience. Furthermore, Kudumbashree has put in place a very realistic monitoring and review system which is not the case in respect of the voluntary agencies. The marketing support offered by it in collaboration with the local panchayath authorities is admirable.
- 6.4.3** The Kerala Government, NABARD, banks, voluntary agencies and the public in general, are very supportive of SHGs of women and their enterprises.
- 6.4.4** As per the criterion declared by Kudumbashree Mission, 13 of the units consistently generate Rs. 1500 and more up to Rs. 4000 per month per head as wage and share of the profit. The rest (7) of the enterprises have consistently failed in generating this targeted income.
- 6.4.5** One of the contributory factors that has stabilized the units financially and organisationally is the strong leadership exercised by the President/Secretary. These women have opportunities for developing leadership qualities in the NHGs/SHGs: the frequent training sessions offered, experience in the management of the savings and credit scheme, familiarity with banking operations and handling of money and contesting/participating in the election of office-bearers. Some of them have in-born leadership qualities, commanding power, organizational ability and problem-solving skills.
- 6.4.6** The average percentage of empowerment – social, political, economic, entrepreneurial, knowledge, personal, gender-based - attained by the leaders of the 40 enterprises is 95 which, indeed is pretty high.

One after-effect of having very powerful leadership in a group is that it blocks the opportunities of the members to develop themselves into leaders

and performers. The tendency of the average members is to entrust every responsibility to the existing leader and free themselves. This has rendered them passive.

- 6.4.7** A few among the women have houses and premises sufficient to accommodate the enterprises, which obviously conferred leadership on them and their acceptance by the other members. So, the groups do not have much difficulty in working as a team. Almost all the group leaders enjoy a measure of freedom and support from their spouses and grown-up sons and daughters.
- 6.4.8** In respect of work, there is some sort of division of labour among the group members. In general, it is found that two of the members take upon themselves the responsibility of procuring good quality raw materials at reasonable price and bringing them to the leader's house. One notable thing is that the purchases are according to a well-thought-out production plan, depending upon the nature of the orders received from the customers. Invariably, the group leader maintains the accounts and other records and operates the bank transactions. In two units, husbands of the group leaders have taken upon themselves the burden of marketing the products.
- 6.4.9** In most cases, production is decentralized – input materials are divided and taken home for processing. When products are ready, they bring them to the leader's house, counted, priced and packed. Finally, the customer collects the product and makes the payment. Simple production planning and marketing without any hassles.
- 6.4.10** By and large, the repayment of loans availed of is regular. The bank authorities of the 20 enterprises do not have any serious complaints.
- 6.4.11** Spouses and grown-up children render timely support whenever required by the group leader. Generally, they help in buying the raw materials and transporting them to the work spot. Likewise, they help in marketing also in a few enterprises.
- 6.4.12** The training imparted to the group members is deficient in respect of the basics of business management and business outlook.
- 6.4.13** The supervisors also lack these attributes. In fact, there is no one to clear their doubts and guide them towards scientific management of business. At present, it is a "hit or miss approach".
- 6.4.14** Most of the group members are fairly educated – SSLC, plus two or graduation and hence, capable of learning business principles and methods and maintaining essential records. The sponsoring agencies especially, the

voluntary ones do not take this positive factor into consideration and give them appropriate induction training and periodic refresher sessions based on their performance appraisal.

- 6.4.15** The study team found that most of these women have not taken up the enterprises seriously. Their level of business aspiration is low. Some of them prefer MNREGS work. The much needed **transformation** from being a dutiful house wife to a profit-seeking entrepreneur is yet to take place.
- 6.4.16** The groups refused to produce their accounts for reference. The assumption is either they do not correctly maintain the accounts or do not have any accounting system put in place.
- 6.4.17** In the absence of recorded facts and figures regarding the business activities, it is impossible to take right decisions.
- 6.4.18** Most of the enterprises try to play safe. The groups have strictly limited the quantum of production to the orders received from prospective customers. They are unwilling to take risks.
- 6.4.19** No planned effort is being made to promote the customer-base of each of their products. All of them seem to be novices in marketing.
- 6.4.20** Most of these units become active only during festival seasons such as Onam, Christmas and Ramadan and during “vipanana melas” organised by the government, panchayath, municipality and Kudumbashree.
- 6.4.21** These enterprises are largely sponsor agency-driven for poverty alleviation and not market-driven. The burden of marketing is either voluntarily taken over by or covertly entrusted to the sponsoring agency.
- 6.4.22** All these enterprises being micro ones, operated with manual labour, the quantum of production is bound to be limited.
- 6.4.23** Another spacial constraint is the limited capacity of the kitchens in the houses to increase the quantum of food products or the lack of space in the house and its premises to increase the non-food items such as washing soap, toilet soap, lotion, candles etc. in case there is any phenomenal increase in the demand for these products. Six units suffer from limitation of adequate work space.
- 6.4.24** The operational size of the enterprise namely the quantum and variety of products made, the monthly sales turn over and the number of members of the group who share the profit are correlated and deterministic in respect of the per capita share of the monthly income.

- 6.4.25** Lack of mechanization is a limiting factor of the future growth process of the enterprise.
- 6.4.26** Except two units, others do not have any name boards. None of them have any letter heads worth mentioning nor offer any receipts for payments received. The transactions are all informal.
- 6.4.27** Most of the groups believe that the price of their products should be less than the market price so that it will attract the customers. No price tags are attached to any product.
- 6.4.28** The leaders and members of the groups do not realise the need for and the importance of having well-constructed and financially-viable project proposals. The Kudumbashree units do have project proposals that are vetted by bank authorities but nobody refers to them.
- 6.4.29** The general tendency among the sponsoring agencies is to offer most of the training programmes only to the group leaders. Members of the groups are generally not invited. There are a few exceptions.

6.5 Recommendations

Broadly, the recommendations are based on the major **findings** of the analysis of data. There are a good number of positive findings and of course, negative ones, listed and discussed in Chapter IV. The positive ones have to be retained and reinforced and the negative ones to be corrected or contained.

6.5.1 Powerful leadership

All the 20 and odd units have powerful leadership. They have commanding power over the other members of the groups. And within the groups, there is unity of purpose and they work as a team without much hassle. Those who disagreed with the leaders were either unceremoniously sent out or they left voluntarily.

The lacuna lies in the leadership which lacks knowledge of the fundamentals of business management, financial management, appropriate marketing strategies and professional skills. They require need-based training sessions on a continuous basis to acquire business knowledge and skills and their conscious application.

Furthermore, these leaders and the members do not realise the importance and utility of proper review system. Intelligent reviews can help them identify weaknesses/mistakes and their causes and out of which

corrective measures could be formulated and implemented. Some sort of positive self-criticism for creative thinking and better performance. Without having this exercise, no progress could be achieved. Review meetings have to be planned in writing. The agenda for the meeting should include the achievements, failures and the difficulties encountered during the past one week and the solutions attempted if any and with what effect. The discussion at the review meeting should revolve around these things, seeking corrective measures. All these have to be truthfully minuted for guidance/reference. It is suggested that “monitoring and review” should be a key subject for training with practicals.

Another lacuna at these review meetings is “the silent” participation of the members of the group. Since the records are being maintained and kept by the leaders, the members do not have dependable facts and figures to raise questions, demand replies and suggest solutions, thereby, failing to make the review process a democratic exercise in learning.

6.5.2 Lacuna in training

It is reported by the members of these enterprises that only the leaders of the groups are invited to attend the training programmes organised by the sponsoring agency. Members are not generally invited. May be, there is an assumption that the leaders would, in turn, share whatever they have learned with the members and educate them. Contrary to this assumption, there is no well-planned sharing exercise. This is not deliberate, but it so happens. Hence, it is recommended that the members should also be given chances to attend important/critical training programmes.

6.5.2.1 Need for periodic training

The importance of continuous training cannot be over-emphasised. Managing effectively even a micro-enterprise with very low capital and technology requires certain basic knowledge of business, leadership qualities, know-how, self-confidence and courage, readiness to take risks and the motivation to achieve. Which means, comprehensive and periodic training sessions are required and the modules could be developed on the basis of a diagnostic assessment of their training needs as groups and as individuals.

On the basis of the findings of this study, the modules should consist of the following topics:

- Entrepreneurship and business management: An overview
- How to prepare a project proposal acceptable to banks and other funding agencies

- Business management process: Planning, organizing, directing, co-ordinating, controlling, monitoring and reviewing
- Basics of financial management
- Basics of marketing
- Quality standards for the products
- Need for maintaining records, how and what
- Team work and leadership
- Quality of work life and family life

It will be good, if the supervisors/animators and the officials in charge of promoting enterprises also attend these training sessions so that the group members, their supervisors and the officials can work in the same wave length.

6.5.3 First generation entrepreneurs

The fact that most of these women are **first generation entrepreneurs** should be kept in mind while developing the support system.

The agency, through its field supervisors, should have a close look at the functioning of the enterprises. It has to constantly remind itself that these women are **first generation entrepreneurs**. Obviously, the units will confront a lot of teething troubles. The approach of the leaders is bound to be one of trial and error. The supervisors have to be well-trained in the art and science of human resource development in respect of promoting and stabilizing profit-making enterprises. They should be provided with a **handbook** listing the major aspects of the management process to be critically examined and tender the right advice or instructions. They should be able to identify lapses in the day-to-day working of the enterprises and get them rectified through right instructions. In fact, the sponsoring agency has to make the supervisors **professionally oriented and accountable**.

6.5.4 Performance audit

Furthermore, an **annual performance audit** of each enterprise in terms of number of days worked, quantum of production, quality of the product(s), marketing strategies, incomes, expenditures and the surpluses generated, average monthly earnings of the members etc. by a competent third party. The prime objective is to lead each one of these “static” enterprises from being a low capital – low production and low income unit to becoming a high capital with more value addition, more production and more income unit.

6.5.5 Low skill level

Literature on professionalism in management indicates four essential components to perform effectively – theoretical knowledge of the science of business management (its principles, methods, basic concepts), skills – conceptual, technical and social, positive attitude towards the job and the co-workers and finally, a high degree of work motivation and work ethics.

Periodically, an assessment of the existing managerial skills and knowledge of the members of the group is necessary so that these could be upgraded and skills and knowledge that are absent could be imparted.

It is found that most of the 20 entrepreneurs have received only one induction training at the beginning. In this respect, Kudumbashree units are in a better position. However, periodic **refresher programs** for discussing operational difficulties and problems with the help of experts are absolutely necessary. Appropriate modules could be prepared. A **handbook** on management of micro-enterprise in Malayalam may be prepared for ready reference. It should contain practical guidelines for the day-to-day management of the enterprise.

6.5.6 Mechanization

Loans are available for appropriate mechanization of these enterprises. It is obvious that production could be increased and standardization of the quality of the products is possible only through mechanization. This will certainly increase business output and fetch more income. But, there are **constraints** to overcome:

1. Policy declaration by these sponsoring agencies for up-gradation of the existing enterprises
2. Making additional capital available for expansion and diversification at moderate rate of interest or as subsidy
3. A good number of these units by its very nature cannot be mechanized
4. Selection of appropriate technology and machines with the help of experts
5. Availability of machines at affordable cost
6. Willingness of women to undergo technical training in operating the machines
7. Prompt after sales service in case of machine break down
8. High cost of electricity in Kerala

9. Adequate space in the premises for separate work shed to install the machines and accessories

6.5.7 Preferential treatment

The enterprises could be facilitated to establish linkages with various governmental and non-governmental institutions in the area and win **preferential orders** for their products as a symbol of support. Kudumbashree enterprises have secured such favours from the State Government though on a small-scale. The canteens in the premises of the Trivandrum Medical College, Mother and Child Hospital at Thycaud (Trivandrum), State Planning Board at Pattom, Institute of Management in Government at PMG Junction are/were managed by Kudumbashree units. Obviously, units promoted by non-governmental organisations(NGOs) also deserve such patronage.

In fact, difficulty in marketing the products and enlarging the existing customer-base needs the special attention of the sponsoring agencies. Kudumbashree Mission and the local bodies do help their units to some extent through marketing outlets and festival melas but not enough. Units promoted by NGOs are less fortunate. Unless the present customer-base is expanded and sustained, growth towards the third stage will be difficult or almost impossible.

6.5.8 Quality assurance

This is a must for the survival of these enterprises. Quality standards have to be worked out and prescribed for each of the product and these have to be supervised and maintained so that the customer could be attracted and sustained. In respect of food products, personal hygiene and environmental sanitation have to be strictly adhered to. Among the 20 units taken up for study, 6 of them offer food products. These and such other units should be brought immediately under the purview of the Food Safety and Standards Act, 2006. The sponsoring agencies should take the initiative. Quality is often hailed as the key to sustainability of the enterprise.

6.5.9 Role of the banks

Thanks to the strong support of the powerful sponsoring agencies such as Kudumbashree, Janashree and the voluntary agencies, the link banks have no hesitation in providing micro-finance for micro-enterprise especially among the members of the self-help groups. None of the respondents of the 20 units taken up for study have any complaint regarding the services rendered by the banks. The bank authorities are also happy that these SHGs are bankable which indicates that the repayment of loans by most of these

groups is very prompt. The sponsoring agencies are also happy. But there is a “catch”. Prompt repayment of the loans availed of by several of the enterprises is not out of the surplus/profits generated through good business but from other sources—from their savings with the SHGs or wages obtained from MNREGS or from family income. The very purpose of “micro-finance for prosperity through micro-enterprise” gets defeated. Some of the sponsoring agencies are aware of this “catch”, but do not intervene. It will be good, if the banks could make their own arrangement for monitoring and review the progress of the units in collaboration with the sponsoring agencies and enforce correctives if required so that the enterprises generate the expected income consistently and thereby, fulfill the main purpose of micro finance, namely to improve their standard of living.

6.5.10 Role conflicts

The data collected from the enterprises indicate that most of these women work only for 3 – 4 hours per day, 3 – 4 days per week – part-time work which is due to their preoccupation with their role as housewife in charge of kitchen work and house-keeping. Since they work only according to the orders received from customers, part-time work is sufficient. But then, the returns from this is meager as indicated earlier.

According to some of them, full-time work creates problems in the family because of the asymmetrical nature of roles assigned to the husband and the wife. Since almost all the grown-up children go to school, (as we know, education of children is the top most priority of parents, especially in Kerala), mothers cannot expect any steady, dependable assistance from girl children in domestic work. In other words, most of the women cannot devote full-time for work in the enterprise – 4 or 5 hours per day for six days a week. Furthermore, she may not be able to go for work outside her home and remain there for long hours. The aged ones in the house – grandfather, grandma, father, mother, father-in-law, mother-in-law - need and seek attention and care from her. In sum, the inference is that the women members of the enterprises cannot take upon themselves the burden of additional work and time if the present units are mechanized and enlarged for increased production in a separate shed in distant premises. Hence, any expansion programme intended for enhancing the generation of the income should be taken up only in consultation with these women and their spouses.

6.5.11 Brand name and packaging

Brand name for a product in an attractive package is possible if only its quality according to prescribed standards is assured and sustained. The

brand image has to be built up slowly among the target population with the help of appropriate media. For this, the quantity of the particular product has to be increased to economic quantities. This is an expensive task and an elaborate process which micro-enterprises may not be able to undertake without the support of the government. Quality testing of the products has to be done periodically for which proper facilities have to be created which again demands additional investment. Advice of experts may be sought.

6.5.12 Effective supervision

Furthermore, the routine supervision of these units has to be strengthened and made technical by the sponsoring agencies. The supervisors must be provided with an officially approved guide/hand book, containing the issues or items to be carefully examined in detail and record their findings and recommendations for submission to the immediate superiors for their information and action, if required. They should be given adequate training in providing on-the-spot consultancy services regarding the day-to-day operational problems the enterprises confront. This is absent in the present set-up since the supervisors are largely social work-oriented and not business-oriented with adequate professional perspectives.

6.5.13 Monitoring and review system (M&RS)

In project management, it is imperative that a well-designed monitoring and review system is a must so that the progress or lack of progress of the project at the ground level could be assessed regularly against the stipulated targets. Difficulties encountered in the course of work could be analysed, solutions could be worked out and appropriate action could be initiated without any delay. At present, there is no live and well-defined review system with appropriate achievement indicators and targets.

A two tier system could be developed with a ground level monitoring committee with the field supervisor/ animator as the convener and another one at the sponsoring agency. The former could meet every week and with the help of the agency supervisor, the progress of the project could be objectively assessed. The minutes of the weekly meetings should be immediately sent to the monitoring committee of the agency. The committee will examine the targets achieved, difficulties encountered etc. and will initiate appropriate action for corrections, if required. A **project-progress assessment guide** should be developed for review at the meetings. Decisions have to be taken without delay and correctly implemented towards the second stage.

6.5.14 Maintenance of accounts

The present situation needs immediate correction. The field work supervisor/ animator should ensure the maintenance of correct accounts of incomes and expenditures and this should be made available for inspection. Third party audit is a must. The sponsoring agencies are at fault in this respect. There is need for repeat sessions on the technical aspects of budgeting, simple accounting procedures, the value of having a regular balance sheet and the importance of auditing for efficient and transparent financial management.

6.5.16 Maintenance of records

This is a must. In the absence of facts and figures regarding the business activities, it is impossible to take right decisions. Wrong decisions based on mere assumptions will ruin the business. The first difficulty, as indicated earlier, is to judge whether the enterprise is running on profit or loss especially in the absence of correct accounts. Records of production and sales on a daily basis is a must. Likewise, the wage payment register. Hence, the sponsoring agency/ the training agency should provide them a list of basic records absolutely necessary for managing the business and instruct them how to maintain them, utilize them for review and decision-making.

(A list of records:

1. Approved project proposal
2. The accounts book – indicating the daily incomes, expenditures and balances
3. Daily attendance register
4. Minutes of review meetings conducted
5. Register showing daily production of each product, no. of units sold and the balance (Based on this, production for the next day could be planned.)
6. Wage payment register
7. Procurement register indicating the purchase of raw materials, tools and other equipment
8. Stock register
9. Bank account pass book
10. Other records in the form of files

Since the daily business transaction is very limited, there won't be any difficulty in maintaining these records. The sponsoring agency should periodically examine these records, assess the performance of the unit and

offer appropriate guidelines so that it becomes financially and organizationally stable and develop the synergy to grow.

6.5.17 The importance of project proposal

One of the basic principles of entrepreneurship is the formulation of a project proposal with details such as the products, the production process, quality standards, size of the enterprise in terms of capital, man power, work shed and facilities required, machinery, marketing strategies, its financial viability, cost-benefit analysis etc. Kudumbashree authorities and banks demand such a detailed proposal for providing loans and other support.

During the investigation, the study team found that none of the 20 and odd enterprise groups are willing to make copies available for analysis. The team could not understand why this reluctance and veil of secrecy. The groups should realise that the approved proposal is the design and guide for their enterprises and should function, take decision and work accordingly for success. These women should be made aware of the importance and utility of the project proposal.

6.5.18 Calibrating the role of the sponsoring agency

As promoters of income generation activities for poverty alleviation, the role of the sponsoring agency is highly complex and deterministic. Neither the government officials in charge of Kudumbashree nor the top personnel of voluntary agencies are equipped with the complex and evasive spirit of entrepreneurship, business acumen, management know-how and the courage to take risks. In other words, they are not oriented on the art and science of entrepreneurship and business management and for scaling-up investment and business activities to the second stage so that there could be an increase in the incomes generated. The agency could get the assistance of some competent management professionals for guidelines.

6.5.19 Emergency fund

This is mainly to salvage units that are sinking due to paucity of day-to-day working capital. It is the responsibility of the sponsoring agency to constitute the fund and make it available to deserving units.

6.5.20 The path ahead

As indicated earlier, the general profile which emerged out of the study is that these units are stuck in a rut, generating small net incomes, difficult to salvage, enlarge, infuse technology and activate. The sponsoring agency

hasto examine the scope and feasibility for enlarging the existing units with additional capital, technology, better marketing strategies and modern business management techniques. It has to take a policy decision on the subject of up-gradation of the enterprises for generating higher incomes and initiate appropriate steps in the field. This is a must.

The initial step of the SHGs towards poverty alleviation through income generation enterprises is by and large successful in laying the foundation towards stability and growth. Promotion of self-employment especially among housewives for generating supplementary income is a step in the right direction towards liberating them from orthodox gender discrimination in a patriarchal society. As mentioned earlier, this project is not a market-driven decision and set-up but a **push and pull approach** by powerful sponsoring agencies, facilitating women towards entrepreneurship. The inertia found in women is being broken towards dynamism. Success stories of women enterprises and the support given effectively by Grameen Banks in Bangladesh under the inspiring leadership of Prof. Mohammad Yunus serves as an inspiration for the community development agencies in India. Empowerment of women economically, socially, culturally and politically is the focus through self-help groups and self-managed enterprises. This being a massive effort, the percentage of failure may be high, but, there is success. This study is an investigation towards identifying the positive and negative factors in the management of the enterprise. This investigation has helped to some extent identify the permutations and combinations of the variables in deciding the fate of the enterprise. The assumption is that once you know the chemistry of this dialectics, we can manipulate the negative ones into positive ones thereby ensuring success in the end.

The sponsoring agency has to take the third step – the first one was the formulation and activation of unorganized women folk into organised and vibrant self-help groups. The second is to enable them to pool their personal energy and competencies in setting up and managing enterprises for generating surplus income and a support to the family. Now, it is time to move on to the third stage namely, optimizing the growth potential of many of these enterprises towards small scale production/service units. It is obvious that this could be achieved through the following steps to be initiated by the sponsoring agencies:

1. Conduct a critical study on the stable enterprises and subject them to simple SWOT analysis. Strengths and weaknesses of the live enterprises will be helpful to strengthen the strengths further and transform the weaknesses into strengths to the extent possible. Case studies with operational statistics can be very

helpful in doing this exercise. This is to ensure the stability and sustainability of the unit.

2. The transition from a successful micro-unit of an investment capital of Rs. 2 – 3 lakh to a micro-unit of Rs. 10 – 15 lakh has to be carefully planned with the help of experts on a selective basis. Only those units which have the innate strength and growth potential should be selected for development. To increase the quantity of production, separate work shed with equipment and infrastructure facilities and mechanization. The market has to be enlarged and sustained through the quality of the products and attractive packaging and prices. The sponsoring agencies have to take the initiative.
3. A good number of enterprises have failed or failing. The capital invested is lost, they do not have enough working capital and hence, on the verge of collapse. Lot of lessons in business management could be learned from this experience of failure. Technically faulty design of the units is one of the reasons. Proposals are worked out without thoroughly ensuring their financial viability through calculating cost-benefit analysis or Internal Rate of Returns. Such calculations are absolutely necessary for financial management so that optimum benefits could be realized through cost-effective methods of management. Added to this lacuna, lack of discipline in money management is one of the reasons for persistent loss or erosion in profit.
4. In order to make the transition from low capital unit to higher capital unit with mechanization, the present leaders and members of the group needs to acquire new skills and upgrade the existing skills since the dimension of the business transaction increases.

It is obvious that a business unit cannot remain static on a plateau for a long time; it has no option other than continuous growth or gradual decline.

5. Of late, the Central and the Kerala State governments are very keen in promoting enterprises in general and micro and small ones in particular. Sponsoring agencies especially voluntary service institutions should explore the support offered by various government promotional schemes.

However, the stability and consistent growth of the enterprise mainly depends upon the ability, the level of motivation, the readiness to take risks, business sense and transparency in dealings of all the members of the group and its leader. According to the Free Dictionary by Farlex, the concept, “micro-enterprise refers to industrious, systematic activity, especially when directed towards profit.”

Appendix – A

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Appendix – B

The Study Team

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Appendix – C -1

Kerala State Poverty Eradication Mission

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Chalakupuzhy Road, Medical College P.O.
Thiruvananthapuram -695011

Ph: 91-471-2554714

91-471-2554715

91-471-2554716

Note on Kudumbashree Enterprises

1.0 Introduction

Kudumbashree indicates the approach of the State Poverty Eradication Mission. The principal objective is the eradication of absolute poverty from Kerala within a decade. “Reach out the families through women and reach out the communities through families” is the strategy. Women empowerment initiatives, micro finance operations, micro-enterprise promotion and convergent community action constitute the core activities of Kudumbashree.

It was launched on 1st of April, 1999 as a partnership of the State Government, Central Government, local governments and NABARD for eradicating poverty. Kudumbashree provides support and incubatory services to its micro-entrepreneurs in the initial stages as a part of hand-holding strategy. This approach has helped hundreds of micro-enterprises to stabilize its operations.

The Income Generation Activities Volunteer (IGAV) acts as a local consultant who motivates the members of NHG to take up micro-enterprises using thrift loan and loans from link-banks. The volunteer is provided with necessary training for income generation activities especially in identifying business opportunities, accounting practices and linkages of bank loans.

Kudumbashree views micro-enterprise development as an **emerging process** which will start with low capital, low risk and low profit at the initial stage and gradually, it will gain momentum and develop into a small industrial unit and so on. Group activities will provide the synergy for rapid growth.

Though there are different definitions of a micro-enterprise, Kudumbashree defines it as one in which:

1. Investment ranging from Rs. 5000 to Rs. 250000
2. Enterprise should have a potential to generate a net income of at least Rs. 1500 per member per month
3. Minimum turnover of Rs. 1 lakh to Rs. 10 lakhs
4. Enterprise fully owned, managed and operated by members themselves, preferably, women below poverty line families as entrepreneurs.

2.0 The steps in developing entrepreneurship

1. A brain storming session at the NHG meeting to generate project ideas as well as potential entrepreneurs. This will be a full-day programme to give them exposure to the various facets of enterprise development.
2. Induction training: This is a six-day programme which focuses on personality development, besides all the major areas of enterprise management.
3. Preparation of appropriate project proposals by interested groups or individuals.
4. These proposals are vetted at three stages before being presented to the banks.
5. If the proposal is approved by the bank, a limited financial support as subsidy will be extended by Kudumbashree.
6. The detailed project report along with an application form for setting up the enterprise should be routed through the NHG, Area Development Society (ADS) and the Community Development Society (CDS) and forwarded to the financial institution for sanction.
7. The bank branch/financial institution will within 15 days, complete all formalities such as pre-sanction inspections and issue a formal sanction letter and loan account number.

8. The CDS on getting the sanction letter and loan account number, would forward an abstract of the loan application in the prescribed format along with the following documents to the District Mission Coordinator:
 1. Individual or group photograph
 2. Copy of the ration card/voters ID card
 3. Detailed project report with cash flow statement
 4. Sanction letter issued by the financial institution with loan account number
 5. Abstract of the application
9. The District Mission Co-ordinator should forward the documents to the State Poverty Eradication Mission, Thiruvananthapuram with specific recommendation for sanctioning the eligible subsidy.
10. The State Poverty Eradication Mission will sanction the eligible subsidy and forward the amount by Demand Draft to the loan account of the enterprise group to be used as back-end subsidy.
11. The enterprise group or individual on receipt of the loan amount, from the bank should set up the micro-enterprise unit within 15 days.
12. The CDS functionaries should inspect the enterprise and the Member Secretary of the CDS to furnish a utilization certificate for the utilization of the subsidy to the District Mission Coordinator within one month of the disbursement of the loan.
13. Returns and periodicals: The enterprise group/individual should furnish the following reports on the 1st of every month in the prescribed format to the CDS:
 - Turnover report
 - Asset and liability report
 - Loan repayment report

The CDS will consolidate the reports, evaluate and furnish reports to the District Mission on or before the 7th of every month. In turn, the District Mission will evaluate the reports and furnish a consolidated report to the State Poverty Eradication Mission (SPEM) on or before the 15th of every month.

Appendix – C– 2

Malankara Social Service Society (MSSS)

Srothas, St. Mary's Campus, Pattom P.O.

Trivandrum – 695004

Tel: +91 471 2552892

1.0 Introduction

The Malankara Social Service Society (MSSS), the social work organ of Major Arch Diocese of Trivandrum, was constituted in the year 1961 under the Travancore-Cochin Literary Scientific and Charitable Societies Act XII of 1955. In 2004, MSSS was renamed "SROTHAS", which in Sanskrit means "Source".

MSSS started in 1955 had a welfare and charity-oriented approach till 1999 when a more developmental approach was adopted with the aim of improving the quality of life and wellbeing of individuals, groups, or communities. This was done by intervening through research, community organizing, direct practice, and teaching on behalf of those afflicted with poverty or suffering from social injustices and violations of their human rights. Every passing decade had been a learning experience for MSSS redefining our roles, responsibilities and perspectives about people and their problems.

His Beatitude Baselios Cardinal Cleemis is the Head of the Malankara Social Service Society. Rev. Fr. Bovas Mathew is the present Director.

MSSS presently reaches out to 202 villages of Kerala spread across the three districts viz., Thiruvananthapuram, Kollam, and Pathanamthitta. The coverage encompasses 7.8 million people irrespective of religion, caste or creed.

During the past years MSSS could support its beneficiaries by providing facilities through awareness building programmes, seminars, employment generation programs, housing and sanitation, training, capacity building activities, education, agriculture development, livestock development, micro-ventures, women's development, health delivery systems in remote areas, support to vulnerable sections like orphans, destitute women, aged, gender sensitivity ,introducing innovative farming practices etc.

MSSS adopts a development approach of empowering the rural poor to unravel their problems, spot out the causes and consequences, identify resources and find feasible solutions through a facilitation mode that enables the weak and the deprived to render independent work in this society.

MSSS considers development process as an ongoing multifaceted phenomenon where poverty and marginalization should be tackled in a comprehensive and integrated method. Therefore, linkages, collaborations and networking are given importance.

The Vision of MSSS is to create a just society built on respect, dignity, justice and equity for all, where human rights are protected and valued. This vision is evolved from the development philosophy that the poor are the real owners of the land and they are to be placed at the centre of the development process enabling them to realise their full potential.

The Mission of MSSS is to serve the poor, marginalized, unorganized sections of the society, through promoting and strengthening their community-based organizations, thereby enabling them to take responsibility for the situation, in order to enhance the creative potentials of the individuals and the groups, for action and change.

MSSS has internalized a holistic development philosophy that is people-led and people-based, where people are the subject and goal of development and not its means. Therefore, the role of the MSSS is that of a facilitator, motivating people to seek resolution through individual and collective action.

2.0 Activities/achievements

- Managed diverse range of development projects supported by foreign donor agencies such as Swiss Agency for Development and Cooperation –SDC, Canada International Development Agency-CIDA, MISERIOR, Caritas International, SAFFP Canada & Germany, Italian Bishops" Conference, Manos Unidas and AndheriHilfe etc.
- Managed development projects of Govt. of India & Govt. of Kerala such as Western Ghat Development Program, NABARD, SIDBI, Ministry of SME, Ministry of Textiles, Ministry of Food Processing

Industries and Kerala Council for Science Technology Environment etc.

- A resource center for rendering services of specializations in diverse fields such as Community Development, Agriculture, Enterprise development, Craft development, Engineering, Health, Information Technology, Community Based Rehabilitation, Community Based Disaster Preparedness Statistics, Development Economics, Rural Development and Animal Husbandry etc.
- NGO has been designated as a state level nodal agency for the solid waste management in Kerala.
- A nodal agency for the implementation of the Jana SreeBimaYojana and Jeevan Madhur Scheme of the Life Insurance Corporation of India.
- It was a nodal agency for imparting training for the PMRY program of the Government of India through the District Industries Centre, Thiruvananthapuram.
- A nodal agency for the implementation of AHVY scheme of the Ministry of Textiles of the Government of India.
- A nodal agency for Life and Health Insurance schemes of ICICI Lombard for rural artisans.
- An implementing agency for Japan Fund for Poverty Reduction (JFPR) programs under Govt. of Kerala.
- An authorized special study centre of Indira Gandhi National Open University (IGNOU).
- A specialized center for the study of courses such as MSW, BSW, PGDRD etc.
- Anchored state-level congress workshops, trainings, survey and study
- Provided various social development platforms.

MSSS promote individual as well as group enterprises through which, not only income generation but also the harmony and co-operation of the group members and the community increases. We could proudly spot, a number of micro enterprises successfully catering the basic needs of concerned families in our operational area. The bamboo products centre, bag making units, umbrella making units, tailoring units, book-binding units etc. are notable examples of small enterprises. MSSS carry the role of a facilitator by providing trainings and workshops in a systematic, scientific and participatory manner. MSSS identify viable and feasible income generation programmes, with the help of experts, organize, and manage trainings and workshops. The selection of suitable fields is depending on its eco-friendly nature and requirement of the community. The focused group is mainly rural women who have less control and access over resources.

The programme activities are planned in a sequential manner to bring about systematic results. Such sequential processes help the rural poor to attain capacities to operate and manage the micro enterprises in a sustainable manner. The income generation programmes are linked with micro credit programmes and the women are motivated for undertaking the same.

1. No. of micro enterprise development programmes organized:	145
2. No. of training curriculum development workshops organized:	11
3. No. of rural entrepreneurship development programmes conducted:	23
4. No. of individual enterprises promoted:	3200
5. No. of group enterprises promoted:	245
6. No. of trainers training programmes on EDPs conducted:	15
7. No. of beneficiaries supported for business plan formulations:	6700

(Source: Annual Report 2013)

Appendix – C– 3

Trivandrum Social Service Society (TSSS)

Archbishop's House Compound, P.B. 828,
Vellayambalam, Thiruvananthapuram

Ph: 0471 2727123, 0471 2723498

1.0 Introduction

Trivandrum Social Service Society (TSSS) is a Non-Governmental organisation registered under the Travancore Cochin Literary, Scientific and Charitable Societies" Registration Act, 1955 (Reg. No. 352/85). Ever since its inception on June 7th 1960, it has been marching forward very successfully for the upliftment of the downtrodden and the marginalized people of Trivandrum and Kanyakumari districts, especially fishermen, farmers, dalits, casual labourers, women and children.

TSSS is the nodal organisation of the Trivandrum Archdiocese to implement social action programmes for the empowerment and development of people in Trivandrum and Kanyakumari Districts irrespective of caste, creed or religion.

2.0 **Self-help groups and income generation programmes**

The activities of SHGs are intended to eradicate poverty by way of developing saving habit, to maintaining good relationship so as to raise the status of women in families and in the society, achieving self-sufficiency in social, cultural and financial aspects, and to promote quality leadership by active involvement in social problems.

3.1 **Activities**

There are at present 1470 SHGs including 170 new SHGs started during the year 2012- 2013 The SHGs are clustered to ensure their efficient and smooth functioning. Each cluster consists of 25 to 30 SHGs and put under the supervision of a SHG organizer.

3.2 **'Unarvu' Study Material**

To create social awareness among the SHG members, a printed study material named „UNARVU" was distributed through SHG organizers. The study

materials issued from 2011 April to 2012 March highlighted worthy themes. As a result of these study materials, SHGs involved themselves in social issues and had achieved good results.

3.3 Awareness programmes given to SHG staff and SHG secretaries

On 04/05/2012 a class on „How to make Viable Small Ventures“ was conducted for SHG staff. Another class was conducted on „How to make Customer Relations and social skills“ in all the eight regions for the SHG secretaries. This class helped them to develop customer relation in a better manner.

3.4 Awareness programmes conducted at regional level.

The leaders of the SHGs were given various awareness classes at the regional level federation meetings. These awareness classes helped to build up the leadership quality among the members. The various subjects were as follows:

- Evils of Media influence
- Family Budget
- Production and Marketing of Quality Products
- Sanctity of Family Relationship.

3.5 Self – employment training

In order to strengthen and improve the living standard of the SHG members Self-employment Job Training was given at the Forane and Parish level.

3.6 Small employment ventures

In all the eight regions 35 new small ventures were started. Candle making, Rexin Carry Bag, Tailoring, Flower and Bouquets, Saree sequence and painting, Agarbatti, Artificial Jewellery-making, Umbrella Making, Beauty Parlours, a variety of Pickle Units, Dry Fish, Garments, Rice Powder Units, Curry Powder Units, Bakers, Vegetable Shop, Catering Units, Pappad Units, Big Shopper etc. are some among them.

3.7 SHG Forane fund collection

To start self-employment schemes and to provide loans for higher education an amount of Rs.12/- per head is collected from every member of the sangam.

Table No. C – 3 - 1

Number of SHGs in Foranes under TSSS

Sl. No.	Forane	No. of SHGs promoted
1	Anjengo	74
2	Kovalam	264
3	Pulluvila	656
4	Palayam	17
5	Pettah	16
6	Puthukurichi	207
7	Thoothoor	42
8	Valiyathura	194
Total		1470

Source: Annual Report 2013

Appendix – C - 4

Neyyattinkara Integral Development Society (NIDS)

Vazhuthoor, Neyyattinkara- 695121

Tel: 91-471-2220180

1.0 Introduction

The vision of NIDS is the formation of a just society through participatory social action programmes. The mission of NIDS is to interact with the poor and needy to realise their need and to plan and execute appropriate programmes through direct intervention. NIDS concentrates its activities on six basic segments namely socio-economic development, agriculture development, health and anti-alcoholism, women and child development, dalit development and justice for labour.

The project area covers the Vellarada Panchyat region which is in the grip of hooch trade and illicit brewing, as a result, there is total elimination of social order in this area. The project started with rehabilitation of the victims of illegal liquor. Under this, the victims were encouraged to form organisations which resulted in awareness generation on several important issues. Health-awareness programmes, self-help group formation, economic programmes like housing and sanitary toilets are some other components of the project.

2.0 Key issues

Animal husbandry, dairying & fisheries, aged/elderly, agriculture, children, civic issues, differently-abled, disaster management, dalit upliftment, drinking water, education & literacy, environment & forests, health & family welfare, housing, human rights, legal awareness & aid, labour & employment, land resources, micro finance (SHGs), minority issues, micro small & medium enterprises, new & renewable energy, nutrition, panchayati raj, right to information & advocacy, rural development & poverty alleviation.

Appendix – D

Table No. D1

List of Enterprises with Addresses and Contact Numbers

Sl. No.	Name of the enterprise	Name of the group leader	Mobile No.
1	Matha Vanitha Swayam Sahaya Sanghom Grace House, Pozhiyur P.O., Trivandrum - 695513	Mable	9947738933
2	Navajyothe St. George, Kadaivila, Parasuvackal, Neyyattinkara, Trivandrum - 695508	Stella	9633224879
3	Kairali Manoorkonam, Kuttiyani, Pothencode	Sobhana Joy	9526615324
4	Greenland Kuzhiyamvila, Uchakada, Payattuville P.O.	Geetha	9895318282
5	Bethesda Activity Group Puliyoorakonam, Payattuville P.O., Trivandrum - 695501	Prasannakumari	9495556139
6	Sneha Vikalanga Leather Bag Unit Cheruvarakonam, Cheruvarakonam P.O., Trivandrum - 695502	Rajan	9895739575
7	Karunya Swayam Thozhil Enterprise Kalliyoor, Santhivila, Nemom P.O., Trivandrum - 695020	Mini	9895288068
8	Matha Garments Elluvila, Punchakkari, Thiruvallom P.O., Trivandrum - 695027	Mary Stella	9400894413
9	Surya Weaving Enterprise Parappinthal Puthen veedu, Vadacode, Perumpazhuthoor P.O	Sheeja	8907558773
10	Navajeevan Vettuvila, Attupuram, Kulathoor, Uchakada P.O., Trivandrum - 695506	Mary Brijit	9526677587
11	Jerusalem Kannanthura, Beach P.O.	Treesa Joseph	9656225942
12	Smart SHG Muttakavu, Chullimanoor P.O.,	Pushpakumari	9526829546
13	Lovely Enterprises Krishna Bhavan, Nachivila, Pavathiyavila, Parassala P.O., Trivandrum - 695502	Vasanthakumari	9495152068
14	Techno world Digital Technologies Kumarapuram, Trivandrum - 695011	Shyla	0471 2442083 9847677621
15	Deepam Thozhil Unit Panayamoola, Eithukondankani, Amaravila P.O., Trivandrum - 695122	Sulochana	9895190867
16	Matha Flour Mill, Moonnamoodu, Vattiyoorakavu, Trivandrum - 695013	Girija Jose	9947930151
17	Real Tech Two-wheeler Driving School Eliapuram, Puthukulangara P.O., Varkala	Unni Mary	9544932681
18	Carmalamatha Vanitha Vedi Kizhanguvila kundu, Chakrapanipuram, Puthukulangara P.O	Usha	8593933664
19	St. Mary's Tailoring Unit Asha Bhavan, Vennicode, Vennocode P.O., Varkala, Trivandrum - 695318	Asha Jose	9846971439
20	Peniel Activity Group Rony Cottage, Sewage farm, Watts Road, Vallakadavu, Valiathura P.O.	Elsy Henry	9744382810

Appendix – E

Manual for the Empowerment Assessment Scale

Dr. V. Sunilkumar, Dr. J. Mohanraj & Dr. B. Anil

1. Introduction

In Kerala, we have been implementing many programmes, in order to make the people develop themselves and to empower them socially, economically, politically and culturally. „Self-employment project“ is one among such programmes. Though this projects aim to poverty alleviation and self-reliant of initiator, most of the programmes failed to meet the desired objectives of the donor and the society at large. One of the main reasons may be the unscientific adoption of new projects, without clear understanding of the level of empowerment in various stages of the projects and lack of woman-leadership.

Empowering women in developing countries is essential to reduce global poverty since women represent most of the world's poor population. Most women across the globe rely on the informal work sector for an income. Sociological empowerment often addresses members of groups that social discrimination processes have excluded from decision-making processes through - for example - discrimination based on disability, race, ethnicity, religion, or gender. If women were empowered to do more and be more, the possibility for economic growth becomes apparent.

Empowerment as a methodology is often associated with feminism. Even though we come across many failures; we have found successful entrepreneurs among them. Therefore, this study gave special interest to understand the constituent of successful entrepreneurship. Thus, the efforts should be given to develop a most suitable scale to measure the empowerment of small scale women-entrepreneurship.

2. Description of the scale

The scale consists of 47 items in the form of statements with a five-point scale for response. The choices in the scale are strongly agree, agree, somewhat agree, disagree and strongly disagree. This 47 items have been arranged such a fashion that the items pertaining to each dimension of empowerment are arranged together one after the other. Care has taken to avoid double barrelled statements. This scale can be self-administered or through a trained investigator. The scale measures 7 dimensions of empowerment as indicated below.

Table No. E 1

Sl. No.	Dimension of Empowerment	No. of items
1	Social Empowerment	6
2	Economic Empowerment	6
3	Entrepreneurial Empowerment	15
4	political Empowerment	4
5	knowledge autonomy Empowerment	5
6	Personal autonomy Empowerment	6
7	Gender Empowerment	5

The scores obtained under each dimension represent the level of empowerment in the respective domain and summation of all the scores obtained under each of the 7 dimensions would evolve as a score for empowerment.

3. Standardisation

Based on literature review and discussion with experts, the list of various elements of empowerment was identified for the purpose of deciding the items to be covered under the 7 core dimensions of empowerment. Relevance and clarity of items were strictly adhered to establish their face validity and were judged by the research team. Regional language, Malayalam is used as the language and a special care had been taken to make the items simple to suit the requirements of the respondents. Though some of the items are interlinked, care was taken to avoid duplication of test items. Based on the suggestions evolved out of the brain-storming session convened with experts, certain test items were modified and a few were eliminated. Collective consensus was obtained on the draft scale and the scale was ready to pilot test. A structured interview schedule was prepared and tested in the field with five successful women leaders of SHG. This was done to ensure content validity and in the light of the pilot study, the research team decided to reduce the items from 69 to 47. For the purpose of standardising the scale, sample of 40 leaders of SHG were interviewed and collected relevant data.

4. Technical information of the scale

Reliability

Data from women-leaders of 40 SHG were collected to establish Reliability and validity for the scale using the Chronbach's coefficient Alpha were the reliability of the tool was assessed. Reliability of each dimension of the

empowerment assessed. The final summative scale of 47 items of empowerment had a Chronbach"s coefficient Alpha of 0.882.

Table No. E2

Reliability Statistics	
Cronbach's Alpha	N of Items
.882	47

Table No. E 3

Sl. No	Dimension of Empowerment	Reliability
1	Social Empowerment	.570
2	Economic Empowerment	.623
3	Entrepreneurial Empowerment	.688
4	political Empowerment	.460
5	knowledge autonomy Empowerment	.639
6	Personal autonomy Empowerment	.817
7	Gender Empowerment	.794

The above table indicates that the scale is highly reliable.

Validity

An extensive exercise was done to establish face and content validity of empowerment.

5. Instructions for administration and scoring

The scale is a self-administration scale. The respondents are to be given instructions about the assessment of empowerment as per the details given below. "This scale assesses the level of empowerment of women leaders of SHG. Below are some statements to find out the level of empowerment you have achieved. Kindly go through the statements and answer according to what is true for you. There are no right or wrong answers. This will be used only for research purpose and it will be kept confidential."

The test-administrator should make sure that the individual has understood the directions and not to omit any statement and answer all the statements.

Scoring

The scoring for the scale is based on 5 point scale ranging from Strongly agree to Strongly disagree.

Table No. E 4

SI. No	Dimension of Empowerment	No. of items	Maximum possible score
1	Social Empowerment	6	30
2	Economic Empowerment	6	30
3	Entrepreneurial Empowerment	15	75
4	political Empowerment	4	20
5	knowledge autonomy	5	25
6	Personal autonomy	6	30
7	Gender Empowerment	5	25
	Empowerment	Sum of all the dimensions	235

7. Norms and interpretation of scores

The higher the score is the higher the level of empowerment in each dimension. The steps given below follows to score empowerment per dimensions.

Step 1

Transfer the responses (scores) into raw scores are given below

Strongly agree	-5
Agree	-4
Somewhat agree	-3
Disagree	-2
Strongly Disagree	-1

Step 2

The total of each dimension score indicates the raw score of the respective dimension. The sum of all the scores obtained under each of the 7 dimensions would evolve as the cumulative score of empowerment.

Step 3

Refer interpretation of raw scores Table to identify the level of empowerment of the respondent

Table No. E 5

Classification	Social Empowerment	Economic Empowerment	Entrepreneurial Empowerment	Political Empowerment	knowledge autonomy	Personal autonomy	Gender	Cumulative score
Low	1-9	1-9	1-24	1-6	1-8	1-9	1-8	1-78
Medium	10-19	10-19	25-49	7-13	9-16	10-19	9-16	79-156
High	20-30	20-30	50-75	14-20	17-25	20-30	17-25	157-235

As indicated in the above Table the interpretation can be drawn for the respondent on each dimension from the raw scores (If the respondent's raw score is 28 in social empowerment, the respondent achieved high social empowerment. The cumulative score indicates the overall score of the respondent in all the dimensions, which denotes the level of empowerments.

8. Utility of the scale

The scale can be used for assessing the level of empowerment achieved by the women leaders of the SHG's; Women supervisors in small scale industries, any area in which women initiated to run projects of entrepreneurship.

Appendix - F

Tools of Data Collection

1. Guide for interviewing the leaders/members of the micro-enterprises
2. Observation guide
3. A questionnaire with scale for measuring the degree of empowerment attained by the leader
4. Assess the impact of the increase in their income on their families and its impact on their standard of living
5. Interview session with representatives of the sponsoring agencies (MSSS, TSSS, Kudumbashree) regarding the support system provided for the enterprises