

# Women Empowerment through Micro Enterprises Development

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## Abstract

Micro enterprises mainly aim at developing and utilising the entrepreneurial talent and potential of rural women below poverty line to meet the local needs. Survival and growth of these enterprises are essential for the beneficiaries/ entrepreneurs as they ensure better standards of living and thereby their individual, family and social empowerment. This study, evaluated the women empowerment through SHG in Kerala, India and concludes that these enterprises have succeeded in the socio-economic empowerment of rural poor.

**Key words:** Enterprises, Empowerment, Family, Government, Women Development.

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## INTRODUCTION

Integration of women development and their empowerment are inevitable for the development of any country. The role of women in the economic and social activities of a country was emphasized by the World Conference on Agrarian Reforms and Rural Development in 1979. The conference focuses on the need for equal opportunities for women in social, economic and political process of rural development. The declaration of International Women's Year (1975) and the Decade of Women (1976-1985) by the United Nations helped to highlight the crucial issues of women and the need for their empowerment.

During the first part of 20<sup>th</sup> century it was believed that industrial revolution would eradicate poverty and lead to modernization and economic development. But the benefits of development did not reach women and the development plans failed to consider their welfare and well being. (Malhotra *et.al* 2012) The second part has witnessed major improvements in women's health and education, but the progress has been slow and uneven. India is no exception to this. The declining sex ratio, female work participation rate *etc.* reveal the poor status of Indian women. After independence, the government of India took numerous measures to ensure gender equality. Different plans and policies as well as the Constitution have laid stress on women empowerment. The women's empowerment year was

launched in 2001 with the conviction that empowered women constitute a nation's strength.

Empowerment provides legitimacy and social justice for human development. Empowerment of women means creating economic independence, self reliance, political, social and legal awareness, self confidence and positive attitude among women. It enables women to face any situation and to participate in the developmental activities of the nation.

Micro enterprises mainly aim at developing and utilising the entrepreneurial talent and potential of rural women below poverty line to meet the local needs. Survival and growth of these enterprises are essential for the beneficiaries / entrepreneurs as they ensure better standards of living and thereby their individual, family and social empowerment (Pruthi 1999). Concept of employment has assumed a unique role in this context.

Though nearly half of Indian population consists of women, their participation rate in the economic activities is only 34%. During the 1970s, efforts to promote self-employment among women started receiving greater attention from the government and private agencies. The result has been the emergence of women entrepreneurs on the economic scene in recent years. Even then, less than 5% of business units are owned and operated by them. Several studies have shown that women have proved to be good at business. If more women are motivated, given necessary encouragement and help for becoming entrepreneurs, they can contribute effectively in running viable business enterprises. Hence the significance of self

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employment schemes including micro enterprises for the empowerment of women, has been receiving great attention.

This paper is an attempt to examine the role of micro enterprises in empowering the women of Kerala, India. For this, the rest of the paper is divided into two. The second part briefly explains the concept of micro enterprises and the methodology. The third part analyses the socio economic background of entrepreneurs and measuring the extent of women empowerment achieved through the formation of micro enterprises in Kerala, India.

### MICRO ENTERPRISES

The crux of the poverty eradication programmes lies in the generation of employment potential leading to income generation. The origin and growth of micro enterprises can be traced to lack of employment opportunities and inadequate income generation. To address the issues of poverty reduction, create employment and income opportunities, the Indian government has initiated Micro Enterprise Development programmes.

Micro enterprises represent an important means of earning income for women in both developing and developed countries. (Nandakumar, 2000) Micro enterprises are small undertaking run by individuals or groups who take up the responsibility of managing the business and the family. These enterprises are based on certain characteristics like low capital, low technology, low risk and a few workers. They are coming into existence out of either market driven or non market driven forces. Market driven enterprises are managed and controlled by the entrepreneurs themselves. Government agency or NGOs play an active role in the promotion of nonmarket driven enterprises. SHGs, (Self Help Groups) SGSY (Swarnajanti Grama Swarojdar Yojana) *etc.* fall under this category. This study considers non-market driven micro enterprises promoted by government agencies as they dominate the micro enterprise sector in Kerala, India.

One of the main objectives of initialing non-market driven micro enterprises fostered by government is to help the beneficiaries to take up and manage their own business activities which could supplement their household employment and income leading to improved standard of living. At the same time these enterprises are expected to serve as instruments which could bring about economic awareness and empowerment among the women members. The idea of starting microenterprises has raised lot of hopes and expectations, particularly among women below poverty line.

Definition: Though there are many definitions about micro enterprises, the definition given by Government of Kerala through Kudumbashree is accepted for the purpose of this paper. The definition is based on the following features:

- (i) Investment between Rs. 5.000 and Rs .25 Laks.
- (ii) Individual or Group based poor people
- (iii) The entrepreneur should earn a monthly income if at least Rs 1.500/.
- (iv) The turn over must be between Rs. One lak and Rs. Five Laks (yearly) and
- (v) Enterprise fully owned managed and operated by members themselves preferably women below poverty line families as entrepreneurs.

The SHGs have emerged as a vibrant micro finance movement India with active support from government voluntary agencies and banks with the launching of SGSY scheme and other similar schemes to assure sustainable income to the poor through self employment by promoting micro enterprises. This paper is an attempt to assess the extent of empowerment achieved by women beneficiaries (entrepreneur) of micro enterprises linked with SHGs in Kerala, India.

As majority of the micro enterprises linked with SHGs are formed as group enterprises. Microenterprises are taken for the study. Out of 2040 group micro enterprises functioning in Kerala 1% is selected at random thus 20 group micro enterprises and their 328 beneficiaries have been taken for the study.

Both primary and second data were used for the study and Lickert's 3 point scaling technique was used to get empowerment index values.

### MEASURING EMPOWERMENT

The purpose of forming SHG linked micro enterprises is said to be achieved only if the beneficiaries entrepreneurs are empowered. Here an attempt is made to analyse the extent of empowerment in terms of individual empowerment, family empowerment, social empowerment.

### ECONOMIC EMPOWERMENT

Data revealed that maximum of entrepreneurs (35.1%) fall under the age group of 40-50 and 90.7% are married. Majority (49.1%) are Hindus, 62.5% and are from forward castes. 33.5% of entrepreneurs have college education. Only 22.3% have previous experience in the field of respective business. Majority (90.2%) of micro entrepreneurs became self employed to make economic gains. Though 85.4% of them have

family with 4 to 7 members only 7.3% have 3 or more earning members.

**MONTHLY INCOME OF THE FAMILY**

Monthly income of the families were analyzed to ascertain whether there is any significant improvement in the income of the family after becoming a member of the SHG unit. A comparison was made between s monthly income before and after recovering benefit / empowerment (Table 1). Before becoming a member of the unit 32.2% Families had no income and 49.1% less than Rs500. This implies that majority of the families had income below Rs500. But after empowerment the number of families having no income and income less than Rs 500 decreased to zero, 21.3% had income between Rs. 500 to Rs. 1,000 , 34.5% from Rs .1000to Rs .2000 . Percentage of families having income above Rs 2000 has increased from zero to 44.2%., after empowerment.

**VALUE OF HOUSEHOLD ASSETS**

Possession for various assets and equipment and their value tells upon the welfare of an individual and family the assets include Radio, Tape Recorder, TV, Fridge, Sewing Machine, Telephone etc. Table 2 exhibits thevalue of household assets possessed by beneficiaries before and after becoming a member of micro enterprise.

**Table 1.** Income per month of the family before and after becoming a Benefitter / Entrepreneur

S.No.	Monthly income of the family(In Rs)	Number and p benefici
		Before becoming a Member
1	Nil	106 (32.3%)
2	<500	161 (49.1%)
3	500-1000	49 (14.9%)
4	1000-2000	-12.37%
5	>2000	-
	<b>Total</b>	<b>328 (100%)</b>

**Table 2.**Value Of House Assets Owned By Entrepreneurs Before And After Becoming Benefiter/ Entrepreneur

S.No.	Value of House Assets (In Rs)	Number and percentage of beneficiaries	
		Before becoming a	After becoming a member
1	<25,000	156(47.6)	111(33.5)P
2	25.000-7.5000	165(50.3)	198(60.4)
3	75,000-1,25,000	7(2.1)	19(5.8)
	<b>Total</b>	<b>328(100)</b>	<b>328(100)</b>

The table shows that before becoming a member, 50.3% of beneficiaries possessed assets worth Rs. 25,000 to Rs. 7500, 47.6% owned assets worth less than Rs. 25,000 and only 2.1% owned above Rs. 75,000. After becoming members considerable change occurred in the value of assets owned by the members. Maximum percentage of beneficiaries own assets worth Rs. 25,000 to Rs. 75,000 (60.4%) followed by assets worth less then Rs. 25,000 (33.5%) and 58.% possessed worth Rs. 75,000-1,25,000.

**SOCIAL EMPOWERMENT**

Eloquence, the ability to speak in public, the courage to raise voice against social injustice, knowledge about the laws to protect and defend women *etc.*, influence the position women in the society.Hence an attempt is made to analyses the extent of social empowerment achieved by measuring the degree of empowerment 7 variables

Table 3 reveals that average score for social empowerment range between 0.95 to 1.31 with an average of 1.09. Since the average score for the entire group was 1.09 one can infer that the degree of social empowerment achieved by beneficiaries was moderate.The highest average score (1.31) was earned by the variable' " Express your opinion in a meeting or discussion", and the lowest (0.95) by two variables viz "Utilize opportunity to contest in elections" and "travel alone even at night." The average score of the variables in the order are as follows; "participation in election campaigning" (1.18),"raising voice against injustice"(1.16),"publicspeaking ability"(1.07) , "knowledge about the laws to protect" and defend women" (1.02). None of the variable scores below 0.67. The result indicate considerable impacts on the social empowerment of women due to SHGs

**FAMILY EMPOWERMENT**

Extent of power of decision making in the family freedom, in spending freedom to attend social functions *etc.*,determine the position of women in the family and by there empower themselves. Six variables were selected these variables include areas related to freedom to spend ,decide mode of savings ,operate banks accounts,attend social function and power to make important decisions.

Analyses revealed that for all variables except one the average score was between 0.67 to1.33. Hence the degree of empowerment was moderate for all variables except one. Freedom to attend social functions is the area in which the degree of empowerment was the highest, the average empowerment score ranged between 1.08 and 1.53 in respect of variables related empowerment and as such it is inferred as moderate. Further theaverage score when all the variables are

**Table 3.** Level Of Social Empowerment After Becoming Benefiter// Entrepreneur

Variables	No. of Beneficiaries			Scores	
	Yes	To Some Extent	No	Total	Average
Public speaking ability	97	157	74	351	1.07
Participation In Election Campaigning	131	125	72	387	1.18
Utilize The Opportunity To Contest In Elections	82	149	97	313	0.95
Express Your Own Opinion In A Meeting / In A Discussion	153	125	50	431	1.31
Raise Voice Against In Justice	104	172	52	380	1.16
Knowledge About The Laws To Protect And Defend Women	85	164	76	334	1.02
Travel Alone Even At Night		140	102	312	0.95
Total And Average Score				2508	1.09

**Table 4.** Family Level of Empowerment After Becoming Benefiter// Entrepreneur

Variables	No. of Beneficiaries			Scores	
	Yes	To Some Extent	No	Total	Average
Freedom in spend earnings	137	130	61	404	1.21
Freedom to decide mode of saving	148	110	70	406	1.24
Freedom to operate bank account	138	78	112	354	1.08
freedom to attend social functional	204	93	31	501	1.53
relating to educational of children	134	133	61	401	1.22
Decisions relating to the purchase of costly capital	130	132	66	392	1.2
Total & Average score				2458	1.25

**Table 5.** Level of Individual Empowerment after Becoming Benefiter/ Entrepreneur

Variables	No of entrepreneurs			Total Score	
	Yes	To Some Extent	No	Total	Average
Enhanced Knowledge of enterprises	270	46	12	586	1.79
Confidence to start own enterprises	193	85	50	471	1.44
Helped in Personality Development	252	57	19	561	1.71
Better self awareness	222	77	29	521	1.59
Leadership Quality	214	88	26	516	1.57
Ability to face problems	227	64	37	518	1.56
Decision marking ability	196	94	38	486	1.48
Total & Average Score				365	1.6

taken together was only 1.25 and therefore the extent of empowerment achieved by the beneficiaries in their family was moderate.

**INDIVIDUAL EMPOWERMENT**

Individual empowerment means achieving self confidence, better self awareness leadership quality, exercise decision making power etc. Micro enterprises provide an opportunity to their beneficiary to develop these. (Murthy and Gaus, 2012) Beneficiaries are expected to become empowered personally in becoming a member in microenterprises. Seven variables were selected and analyzed and the analyses showed that average score of each of the seven variables was more than 1.33 hence for all variables the degree of individual empowerment is high. Among the seven variables the degree of empowerment was highest for the variable "enhanced knowledge of the enterprises", and lowest for "confidence to start own enterprises". Discussion with the respondents revealed that before becoming a member they had no knowledge about how to conduct a business. Similarly, since the respondent are from BPL (Below Poverty Line) Families they are not financially sound and therefore many of them have no confidence to start their own enterprises. The average score among the variables varied between 1.44 and 1.79. The seven variables on the basis of average score can be arranged in the ascending order as follows: "confidence to start enterprises", "decision making ability", "leadership quality", "ability to face problems", "better self awareness", "personality development", and "enhanced knowledge of enterprises." The total average score for all the variables was 1.6 and hence it can be concluded that the individual empowerment through micro enterprises was high.

Empowerment through micro enterprises in Kerala was calculated as a simple average of average score of empowerment obtained for three levels of empowerment viz, individual, family and social empowerment and the average of the scores was as 1.31. So the hypothesis that the development of micro enterprises impact on women empowerment in Kerala, India, is accepted.

**CONCLUSION**

Micro enterprises mainly aim at developing and utilizing the entrepreneurial talent and potential of rural, especially women below poverty line to meet the local needs survival and growth of these enterprises are essential to ensure better standards of living and thereby their individual family and social empowerment. This study beyond by shadow of doubt has revealed that these enterprises have successes in the socio-economic empowerment of rural poor but the basic objective of eradicating poverty is yet to be realised

despite impressive contributions by the growth of these enterprises. As such these micro enterprises should be accorded priority.

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