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## WOMEN EMPOWERMENT THROUGH MICRO ENTERPRISE DEVELOPMENT- A MICRO LEVEL STUDY

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**Abstract:** The present paper explores the women empowerment through micro enterprise development in India as well as in Warangal district of Telangana state. In India, women comprise of half the country's Population yet they have limited control over income. Most women remain confined to a narrow range of female low income activities resulting in gender discrimination. Several initiatives are taken by the government both at central and state level to improve the status of women. Empowerment refers to increasing political, social and economic strength of individuals and communities. The paper focuses on the impact of microenterprise development on rural women's empowerment.

**Key words:** Discrimination, Empowerment, Government, Women.

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**Introduction:** Women entrepreneurs' play an important role in local economies, and a large percentage of micro-enterprises in developing countries are undertaken by women. A micro enterprise is a type of small business, often registered and having five or less employees. It requires a seed capital of not more than \$35,000. Micro enterprises add value to a country's economy by creating jobs, by increasing the purchasing power, lowering the cost and enhancing income. Micro entrepreneurs have little or no access to banks and they often rely on microloans or microcredit. The main goal of any micro finance programme is to empower woman through enterprise creation.

Empowerment is the process that follows one to gain the knowledge, skill-sets and attitude needed to cope with the changing world and the circumstances in which one lives. Empowerment refers to increasing political, social and economic strength of individuals and communities.

The World Bank defines empowerment as "the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this processes are actions which both build individual and collective assets, and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets"

The paper focuses on the impact of micro enterprise development on rural women's empowerment. For the study one hundred rural micro entrepreneurs were selected from Warangal district of Telangana. These entrepreneurs were able to develop their enterprises through microfinance. Impact on certain key empowerment attributes were tested before and after creation of micro enterprises. Empowerment of micro entrepreneurs with respect of Decision making, ability to handle financial transactions, communication and development of leadership qualities after the creation of microenterprise is tested using Mc Nemar test.

**Objective of the study:** To study the impact of microenterprise development on women's empowerment.

**Hypotheses of the study:** 1. There is no significant difference in the proportion of women taking household decision on their own, before and after creation of an enterprise. 2. There is no significant difference in the proportion of micro entrepreneur's ability to handle financial transactions before and after creation of an enterprise. 3. There is no significant difference in the proportion of micro entrepreneur's ability to communicate with officials before and after creation of enterprises.

4. There is no significant difference in the proportion of rural women possessing leadership qualities before and after creation of enterprises.

**Review of Literature:** Several studies have been taken up to study the impact of enterprise creation on women's empowerment. However few studies were taken up which concentrated on rural women and their impact on empowerment with respect to micro enterprise creation. Studies by Neha Shah (2008) and Maria Joh, Jayabalan et al. (2004) conclude that it is more difficult for women to start a business because of lack of experience, training, credit and have more domestic responsibilities. Susy Paul and Gireesh Kumar (2009) in their study found that micro enterprise creation had made members self employed, with fifty eight percent of them having full time employment and thirty three percent having part time employment. Lina Sonne (2009) in her study found that there was a clear lack of finance for micro entrepreneurs to expand their business. The paper consists of a case study of a Micro finance institution that supports such business by expanding and deepening their services.

**Methodology:** A multistage sampling technique was used. At the first stage two revenue divisions namely Warangal and Jangaon under Warangal district in Telangana were randomly. From each revenue division one mandal was selected randomly, in the

second stage. From each of the two mandals, two villages were selected. From a total of four villages, twenty five micro entrepreneurs from each village, totaling to one hundred members were selected randomly. Table 1.1 illustrates the sample drawn.

**Table 1.1: Sample of District, Mandals and Villages selected for the study**

District	Revenue Division	Mandals	Villages
Warangal	Warangal	Regonda	Lingala
	Jangaon	Bachanna Pet	Pochampail Kesireddy Pally Bandanagaram

*Source: Field survey*

Primary data was collected through interview schedules. Secondary data was collected from books, journals, magazines, internet sites etc.

**Data Analysis**

Brief Profile of Micro entrepreneurs in the study area is illustrated in Table 1.2

**Table – 1.2: Profiles of Micro Entrepreneurs in the Study Area**

Age of the Entrepreneur		Marital Status of the Entrepreneur		Landholdings of the Entrepreneur		Education of Members	
18-28Years	20	Married	75	Landless	82	Illiterate	83
29-39Years	70	Unmarried	9	Marginal (0.5-2.5 acres)	10	Primary school	12
40-49Years	9	Widow	6	Small (2.6-5 acres)	8	Upper primary	5
Above 50 years	1			Large (above 5 acres)	Nil	High school	Nil

*Source: Interview Schedule*

From the table 1.2 it is observed that 70% of entrepreneurs are between 29 to 39 years old. Seventy five per cent were married and eighty two were landless. Eighty three percent were illiterate. Perception of micro entrepreneurs was taken, regarding decision making, ability to take up financial transactions on own, improvement in leadership qualities and ability to communicate with officials before and after creation of micro enterprises. Most of the members being illiterate, questionnaires could not be administered and interview schedules were used. A five point Likert’s scale was also difficult to use as the members were not able to comprehend the scale.

**Ability to take decision on own**

Rural women seldom participate in household decisions, be it with respect to purchase of assets, Education or buying cattle. Women’s role in decision making helps to boost her confidence and creates a respect for her in her family. Perception of respondents before and after creation of micro enterprise was taken. The hypothesis that there is no significant difference in the proportion of women taking household decision before and after creation of an enterprise is tested using McNemar test. Table 1.3 illustrates the proportion of respondents who participated in household decisions before and after creation of micro enterprises. P value indicates that there is a significant difference in the proportion of women before and after creation of Micro enterprise.

**Table 1.3: Ability to take Household decision on own before and after Creation of ME**

	Ability to take household decision on own after creation of ME		Total	McNemar Test Sig Value
	NO	YES		
Ability to take household decision on NO own before creation of ME	33	47	80	0.000*
YES	0	20	20	
Total	33	67	100	

*Source: Interview Schedule; ME – Micro Enterprise; \*1% Level of Significance (LOS)*

**Ability to handle financial transaction on their own**

In order to run the enterprise, rural women need to handle financial transaction on their own. This includes their ability to take care of daily financial transactions and operation of their bank account. The hypothesis that there is no significant difference in the proportion of micro entrepreneur’s ability to handle financial transactions before and after creation of an enterprise is tested. It is found that there is a significant difference in the proportion of micro entrepreneur’s ability to handle financial transactions, after creation of Micro enterprise, as illustrated in table 1.4

**Table 1.4.3: Ability to handle financial transactions before and after creation of me**

	Ability to handle financial transactions after creation of ME		Total	McNemar Test Sig Value
	NO	YES		
Ability to handle financial transactions before creation of me	15	60	75	0.000*
NO	0	25	25	
Total	15	85	100	

*Source: Interview Schedule; \*1% LOS.*

**Ability to communicate with officials**

Financial assistance in form of microcredit and training facilities are rendered by government under various schemes for rural women. Women’s ability to communicate with officials is important for building up liaisons with various departments. This facilitates them to sustain their livelihood activities and helps in expansion of their business. The hypothesis that there is no significant difference in the proportion of micro entrepreneur’s ability to communicate with officials before and after creation of enterprises is tested. Table 1.5 illustrates the same.

**Table 1.5: Ability to communicate with officials before and after creation of ME**

	Ability to communicate with officials after creation of ME		Total	McNemar Test Sig Value
	NO	YES		
Ability to communicate with officials before creation of ME	19	52	71	0.000*
NO	0	29	29	
Total	19	81	81	

*Source: Interview Schedule; \*1% LOS.*

It is found that there is a significant difference in the ability of women to communicate with officials after creation of an enterprise, at 5% level of significance.

**Enhancement in Leadership skills**

To run an enterprise leadership skills are very important. Entrepreneurs should be able to take risk, lead and manage their enterprise. To test if there is any significant difference in the proportion of rural women possessing leadership qualities before and after creation of enterprises, a McNemar test was applied. It is found that there is a significant difference in the proportion at 1% LOS.

**Table 1.6: Presence of Leadership skills before and after creation of ME**

		Presence of leadership skills after creation of ME		Total	McNemar Test Sig Value
		NO	YES		
Presence of leadership skills before creation of ME	NO	18	51	51	0.000*
	YES	0	31	31	
	Total	18	82	82	

*Source: Interview Schedule; \*1% LOS.*

**Conclusion:** It is observed that rural women were found to be empowered with respect to participation in household decisions, ability to handle financial transactions, improvement leadership qualities and ability to communicate with officials. Women seem to be empowered through creation of microenterprises. It was also observed during the field survey that, rural women still faced several

problems to develop and sustain their business. Problems such as lack of training, marketing support, lack of infrastructure and lack of business acumen hindered the growth of microenterprises. There is a need for public private partnerships, awareness camps and training programmers for rural women, to enable them to become more empowered and to sustain their business.

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