

**AN ANALYTICAL APPRAISAL OF MAJOR ISSUES AND CHALLENGES IN
KUDUMHASHREE WOMEN MICRO-ENTERPRISES OF THIRUVANTHAPURAM
CORPORATION**

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ABSTRACT

“ Like charity begins at home, we have to start making a change from our house and society. We need to work together to make this world a better place for women”.

India’s development planning has always aimed at removing inequalities in the development process. Due to several socio-economic, political and cultural factors women lag backward is recognized. Five year plans always focuses on women’s welfare, education and their accessibility to nations resources and their empowerment.

A nation like India, structured as a social democratic republic have the ultimate aim of equitable distribution of economic resources for eradicating regional, social, economic and gender disparities for a sustainable economic development and gender equality. Poverty alleviation is one of the major challenges in the development of the developing countries like India. The problem of poverty can be solved effectively by providing sustainable livelihood opportunities especially to the women community. Women have identified as carrying the ultimate burden of poverty and apparently this seemed to be the reason why they have been put in the limelight of development scenario.

KEYWORDS: Kudumbhashree, Micro Finance, CBO Structure, Women Empowerment, Micro Enterprises etc.

1. INTRODUCTION:

Micro finance, micro credit and micro enterprises have been identified globally as an efficient area of intervention to eradicate poverty, create employment avenues and overall economic development of the society especially poor community According to Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the Micro, Small and Medium Enterprises are classified into two classes:

1. Manufacturing Enterprises: Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:
 - A micro enterprise is an enterprise where investment in plant and machinery does not be more than Rs.25 lakhs ;

- A small enterprise is an enterprise where the investment in plant and machinery is more than Rs.25 lakhs but does not exceed Rs.5 crores; and
 - A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs.5 crores but does not exceed Rs.10 crores.
2. Service Enterprises: Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006 are specified below:
- A micro enterprise is an enterprise where the investment in equipment does not exceed Rs.10 lakhs;
 - A small enterprise is an enterprise where the investment in equipment is more than Rs.10 lakhs but does not exceed Rs.2 crores; and
 - A medium enterprise is an enterprise where the investment in equipment is more than Rs.2 crores but does not exceed Rs.5 crores.
 - The most widely published feature of Kudumbashree is the setting up of micro enterprises 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 Kudumbashree groups for starting productive activity. These micro enterprise groups are different from the NHG's or 'Ayalkootams'. Members from various NHG's 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 areas where local demand is high. Thus, this programme aims at combining the local demand with local resources as well as aims to maximise local linkages. It implies development of managerial skills, productive and marketing skills which are important for women to take decisions affecting their own productive activity and lives. Almost ninety-seven 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.

Micro enterprises involves identification of innovative and credit 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 know-how already available. Micro enterprise development is a means for empowering women, especially economic empowerment. These Micro Enterprises are carried out on a group as well as on an individual basis at the rural and urban areas in all fourteen Districts of the State. Examples of Rural Micro Enterprises (RME) in Thiruvananthapuram District, namely the goat rearing rural micro enterprise, Nutrimix rural micro enterprise etc. For women, the micro enterprises and entrepreneurship are not a 'bed of roses'. The tasks performed by women have now become more tedious. Many issues and challenges are faced by BPL women while addressing the public prejudices and criticisms. Women entrepreneurs have to face more problems than business led by men.

There are a lot of issues, problems and challenges that a woman has to face in the global corporate world, in order to run a micro enterprise. The enterprises are thus struggling to survive in the competitive market. A proper systematic, professional, scientific approach and strategy is highly essential and a pre-requisite for the success of women micro enterprises.

Kudumbhashree is an innovative, unique women empowerment and poverty mitigation programme, initiated by the Government of Kerala in 1998 in rural areas and in 2000 in urban areas. After that a number of micro enterprises have been started under the Kudumbhashree programme.

Kudumbhashree was launched by the Government of Kerala in 1998, with an aim to eradicate poverty in rural and urban areas of Kerala through Community Development Schemes, under the leadership of Local Self-Governments. The Mission launched by the State Government under the active support of Government of India and the National Bank for Agricultural and Rural Development (NABARD) has adopted a different methodology in wiping out absolute poverty by organizing the poor into community-based organizations. It is now considered as one of the largest women empowering projects in India. The programme is linked to local self-Government institution and it makes all the effort to mitigate poverty through an integrated approach involving effective union of resources and action. It combines different kind of activities like thrift and credit, micro enterprises, income generating activities and a wide range of welfare activities.

Kudumbhashree promotes thrift mobilisation by setting up Thrift and Credit Societies at NHG level to facilitate the poor – to save and provide them cost effective and easy credit. The NHG's hold weekly meetings during which all the members come together and deposit their weekly sum, which ranges from unit to unit. The sum is fixed according to the amount the poorest person in the group can contribute every week. This sum has to be compulsorily remitted and if this is forfeited a fine is charged with the amount due. The income towards interest from thrift is generally used for re-lending. The most important aspect of the thrift and credit societies is the prompt repayment of loans.

2. OBJECTIVES OF THE STUDY:

Research objectives describe concisely what the research is trying to achieve. They summarize the accomplishments a researcher wishes to achieve through the project and provides direction to the study. The findings of the study can be used as inputs for future policy in effectively dealing with the challenges faced by micro enterprises in India. The study was merely conducted among the Kudumbhashree members of Thiruvananthapuram Corporation area in Kerala. The present study was undertaken with the following major objectives :-

1. To study and analyze the issues and challenges of micro Kudumbhashree women enterprises.
2. To assess the major problems of women micro enterprises in the urban area.
3. To undertake an analytical study regarding the Kudumbhashree women micro enterprises in Thiruvananthapuram Corporation.

4. To examine profit and loss sharing practices among the groups.
5. To analyze the different specific problems of various micro women enterprises in Thiruvananthapuram Corporation.
6. To formulate an alternative methodology and strategies for the betterment and sustainability of women micro enterprises.
7. . To understand the structure, working and progress of kudumbhashree project in Thiruvananthapuram District.
8. To examine the role of Kudumbhashree project in women empowerment through micro financing and give suggestions for the empowerment of women in the future policy making of Kerala State..
9. To determine the role of Kudumbhashree mission in social welfare.
10. To understand how the Kudumbhashree mission help the members to relief from the Covid-19 situation.

3. REVIEW OF LITERATURE:

MALCOLM HARPER (1998) opines that the success of the microfinance institutions is in a large measure due to their adoption of many of the strengths of the traditional forms of financial intermediation. Their future will depend on how successfully they continue to match the merits of the older systems and at the same time overcome their disadvantages. He also demonstrates that women's economic and social position is improved through access to microfinance.

SUDHIR RAJ (2007) suggests that for enabling the SHG to play their assigned role effectively, there is an imperative need for avoiding target fixation, subsidy distribution and Governmental interference. There is also the urgent necessity of providing vocational training, general guidance and organisational support for marketing.

BAJINDER KAUT and RAMINDER BHATIA in their article, "Women entrepreneurs" refer to a group of women who initiate, organize and run their business enterprise by taking risks and handle various type of economic unreliability. Now women are seen not only as teachers in schools or colleges but have proven themselves in military, defence, pharmaceuticals, science, aeronautics and even in space exploration. They have provided their efficiency and intelligence.

*PALANISWAMI.V and RAJARAJAN.M, has written an article about, "Empowerment of Women and Rural Entrepreneurship", in which they had stated that in most of the developing countries, today more importance is given on the need for development of women and their active participation in the main stream of development process. It is also widely organized that apart from managing household, bearing children, rural women being income with productive activities ranging from traditional work in the fields to working in factories or running small and petty business endeavours.

Micro enterprise development is considered as an important vehicle for providing gainful employment to people from below poverty line and thereby

improving their income and living standards. The focus of the mission has been to develop managerial skills, productive and marketing skills among women to make them engage in productive activities. About 97 activities are undertaken by the various Kudumbashree micro enterprise groups in the State and these differentiate among catering services, dairy units, hotels, ethnic delicacies, garment units, goat rearing so on and so forth. Micro enterprise development aims at combining local demand with local resources as well as to maximize local linkages. (CENTRE FOR CIVIL SOCIETY, 2008).

*S.MATHIVANAN and M.SELVAKUMAR (2008) has written an article on “A study on socio-economic background and status of women entrepreneurs in small scale industrial units in Virudhunagar District and they analysed various socio-economic background factors and status of women entrepreneurs in small scale industries in Virudhunagar District and they concluded that women should be allowed freely to undertake the business and women entrepreneurship must be recognized, if it is recognized well then the country is economic growth will flourish.

*Dr. DESHPANDE SUNIL and SETHI SUNITHA (2009), in their article, “Women Entrepreneurship in India”, says that, if all people works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can predict our changes of defeating our own conservative and thought process which is the biggest barrier in our countries development process. Women entrepreneurship at individual level which and doubt bring positive stranding growth and development of women and entrepreneurship at country and even at a global

*ABMADI FAEZEH (2010) “Factors affecting the Women Entrepreneurship in industrial section”, in this article he specifies that, “Entrepreneurship is termed as the growth and development engine of enterprises and societies. So popular universities of the World have planned on education and developing the thinking of entrepreneurs. Entrepreneurship can be analysed with two individuals and organizational applications. Women entrepreneurship has been increased due to environmental changes and these women have faced with many problems which are both economically and ideologically.

*(PIOTR and REKOWSKI. 2008) However, the MSMEs sector is faced with many constraints. Among them is the most crucial one known to be financing. So in short, most of the literatures either studies about microfinance activity and its impact on women empowerment or entrepreneurship related to micro-financing. Therefore a minor attempt is done to find how far micro-financed women e The design and methodology states the corporate profile of the subject body – State Kudumbashree Mission giving accounts on its inception, historical importance, objectives and functions. The detailed accounts on the framework and overview of the associated organization and their various activities and programmes.

4. RESEARCH METHODOLOGY:

Methodology refers to the overarching strategy and rationale of the research project. It involved studying the methods used in the field and the theories or principles behind them, in order to develop an approach that matches the objectives. The present study is both empirical and descriptive. The study is exploratory in nature as the primary aim of the research is to explore the experiences of the women entrepreneurs with the establishment of a micro enterprise and the challenges the women entrepreneurs have been facing in the process. The overall progress of the Kudumbashree project is being assessed with the help of primary and secondary data.

VISION OF KUDUMBASHREE:

The principal aim of Kudumbashree programme, mentioned in its mission statement is 'to eradicate absolute poverty in ten years'. Poverty as recognized by Kudumbashree went beyond lack of income and multidimensional characteristics and causes. According to Kudumbashree mission; Poverty is not merely a financial scarcity but it also concerns lack of a proper house, lack of fresh water, insufficient hygiene facilities, lack of nutritional food, insufficient medical facilities, problems of unemployment etc. Hence, in order to get the above- mentioned problems solved, effective and many-sided activities have to be conducted by Kudumbashree. Women empowerment through microfinance, micro enterprise and convergent community action is the core activity of Kudumbashree, which is an organization of women from 'Below the Poverty Line'. Kudumbashree CBOs converges the schemes ideas concepts and resources of various governmental and non-governmental agencies and line departments working in poverty reduction and social sectors.

The mission takes up the problem of poverty holistically and deals with other issues related to poverty like shelter, self- reliance, education and communication. The project has adopted a different methodology in wiping out absolute poverty by organizing the poor into Community Based Organizations. The methodology adopted by the mission is to build community structures of women drawn from poverty- stricken families and utilize their collective energy to build income generating assets with the help of Government and NABARD and facilitate them to overcome the tide of poverty through social and economic empowerment. The mission follows a process approach rather than a project approach. The spirit of Self-Help is the guiding principle in this process. The areas of concentration of Kudumbashree are housing, safe drinking water, sanitation and entrepreneurship development.

KUDUMBASHREE MISSION :

Kudumbashree is the poverty eradication and women empowerment programme implemented by the State Poverty Eradication Mission (SPEM) of the Government of Kerala. The name Kudumbashree in Malayalam language means „prosperity of the family“. The name represents” Kudumbashree Mission“ or SPEM as well as the Kudumbashree Community network.

Kudumbhashree was set up in 1998 following the recommendations of a three-member task force appointed by the State Government. Its formation was in the context of the distribution of powers to the Panchayat Raj Institutions (PRIs) in Kerala, and the people's plan campaign, which attempted to draw up the Ninth plan of the local governments from below through the PRIs.

KUDUMBHASHREE AND MICRO ENTERPRISE DEVELOPMENT:

It is clear from the literature review that, Kudumbhashree has been involved in livelihood generation through promotion of micro enterprises. A detailed idea about the various schemes operating in Kudumbhashree and the various support mechanisms which is extended to assist the micro enterprises are analyzed here.

Kudumbhashree model of enterprise development aims at the promotion of group as well as individual enterprises through the Rural Micro Enterprises and the Yuvasree enterprise schemes:-

CBO STRUCTURE :

Kudumbhashree was conceived as a joint programme of the Government of Kerala implemented through Community Development Societies (CDSs) of poor women, serving as the community wing of Local Governments. Kudumbhashree developed an innovative methodology to identify the poor using non-economic parameters. The poor thus identified are organized under a well networked Community Based Organization (CBO). For effective convergence of the programme, a three tier community based organization (CBO) is in action. This methodology has since been incorporated into the policy framework of the State for identification of the poor.

THE THREE TIER FRAMEWORK OF KUDUMBHASHREE (CBO STRUCTURE):

The Kudumbhashree CBOs are built on a three-tier structure at the Panchayath/Municipality level which has democratically elected governance systems under the Panchayath Raj. At the primary level, there are Neighbourhood Groups (NHGs) with 10 to 204 members, where eligible women can enrol themselves as members. These NHGs are then affiliated to an Area Development Society (ADS) at the ward level. All the ADS, in a Panchayath / Municipality are then affiliated to a Community Development Society (CDS). The membership of Kudumbhashree is through its NHGs and open to women belonging to both 'poor and non-poor', households commonly referred to as APL and BPL households. The three-tier framework of Kudumbhashree CBO structure is shown below;

- a) Neighbourhood Group (NHG) – Groups of 10 to 20 women from the same neighbourhood form the foundation of the structure.
- b) Area Development Society (ADS) – Federation of NHGs within a ward of the LSG.
- c) Community Development Society (CDS)- Registered Society as the Federation of ADS within the LSG.

ROLE AND FUNCTIONS OF KUDUMHASHREE:

The mission look after the overall implementation of the poverty eradication and women empowerment programme across the State. It provides guidance and directions to the programme as per the Government policy. The mission takes the lead in ensuring convergence of the community network with Local Self Government Institution. It also works as the platform for partnerships with Government Department at the District and State levels.

The mission's functions include expansion and promotion of the community network. It supports programmes in economic and social empowerment through financial and technical assistance. The mission also works towards enhancing women empowerment programmes. Kudumhashree empowers women to strengthen the economic backward people in village areas. The peculiar situation in Kerala, is that the farmers increasingly move away from crop production and other agricultural activities for better paid jobs in the non-agricultural sectors.

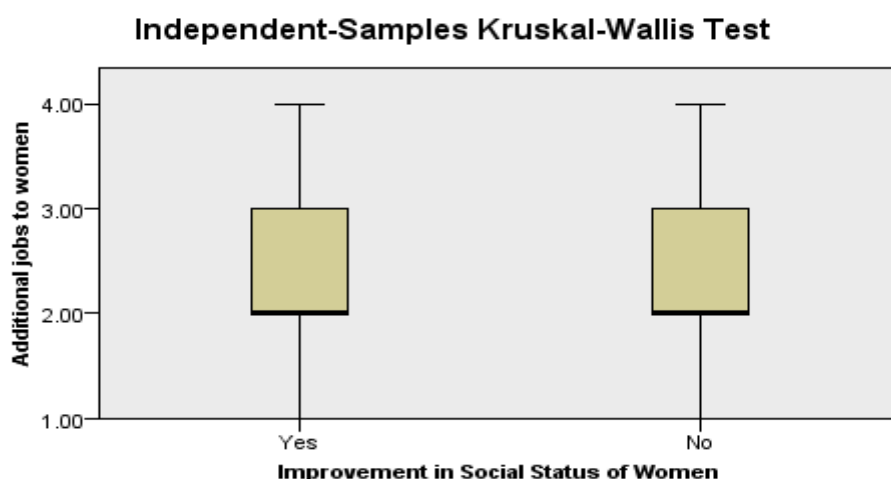
Kudumhashree aims at improving the productivity of women farmer groups. As majority of these women are landless, the land is taken on lease for cultivation. The decline in farming hampers the food security of the State which is otherwise largely dependent on the neighbouring States for food produce. A study was conducted among groups involved in the collective farming under Kerala State Poverty Eradication Mission.

5. DATA COLLECTION :

Nonparametric Tests

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Availability of Loan/Subsidy is the same across categories of Improvement in Social Status of Women .	Independent-Samples Kruskal-Wallis Test	.382	Retain the null hypothesis.
2	The distribution of Reasons for non-profitability is the same across categories of Improvement in Social Status of Women .	Independent-Samples Kruskal-Wallis Test	.501	Retain the null hypothesis.
3	The distribution of Infrastructure facilities is the same across categories of Improvement in Social Status of Women .	Independent-Samples Kruskal-Wallis Test	.365	Retain the null hypothesis.

4	The distribution of Major challenges from is the same across categories of Improvement in Social Status of Women .	Independent-Samples Kruskal-Wallis Test	1.000	Retain the null hypothesis.
5	The distribution of Monthly profit per person is the same across categories of Improvement in Social Status of Women .	Independent-Samples Kruskal-Wallis Test	1.000	Retain the null hypothesis.
6	The distribution of Additional jobs to women is the same across categories of Improvement in Social Status of Women .	Independent-Samples Kruskal-Wallis Test	.109	Retain the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				



Total N	100
Test Statistic	2.575
Degrees of Freedom	1
Asymptotic Sig. (2-sided test)	.109

1. The test statistic is adjusted for ties.

INFERENCE:

As $p > 0.05$, there is very strong evidence to suggest that there is no difference between the mean ranks of any pair of groups. That means the distribution of additional

jobs to women is the same across categories of improvement in social status of women and similarly among the other pairs. Hence we do not need a Post-Hoc test to check the pairwise differences.

8. KEY FINDINGS OF THE STUDY:

Challenges Faced by Women Entrepreneurs

Financial Constraints	<ul style="list-style-type: none"> • Difficulty in Accessing Credit • Non-payment by Customers • Lack of Working Capital • Financially Unviable
Managerial and Operational Challenges	<ul style="list-style-type: none"> • Operation of Group Enterprises as Individual Enterprise • Raw Material Procurement • Transportation • Threat of Displacement
Market Related Challenges	<ul style="list-style-type: none"> • Inability of Facing Competition • Difficulty in Obtaining Orders • Lack of Packaging and Labelling • Reduced Customer Base
Political and Legal Constraints	<ul style="list-style-type: none"> • Changing Political Administration • Issues of Tax and Obtaining Licences
Technological Challenges	<ul style="list-style-type: none"> • Need for Up gradation of Technology
Social and Gender Issues	<ul style="list-style-type: none"> • Misbehaviour from Customers • Safety Concerns while Travelling • Role of Men in the Decision Making Process of the Enterprises • Attitude towards Working Women • Health Issues
Other Factors	<ul style="list-style-type: none"> • Launch of MGNREGA • Forceful Attendance in Market Fairs • Reducing Support from the Kudumbhashree Mission

Through in-depth interviews with entrepreneurs, the challenges faced by them at different stages of an enterprise development have been mapped. The challenges faced by the entrepreneurs ranged from financial difficulties, managerial and operational challenges, market related challenges, legal and political challenges. The challenges encountered by the entrepreneurs are not limited to problems emerging from the conduct of business. Women entrepreneurs from low income households also face challenge owing to their gender and pressure from their families and the society.

9. CONCLUSION:

Women constitute almost half of the total population in India, but are not enjoying their freedom, equality, privileges, on par with their male counterparts. Since implementation of planning in India, several policies and approaches were made to reduce inequalities between women and men. As a result, a shift from 'welfare' to 'development' to 'empowerment' to 'human development' 267 approaches have taken place to change the position and status of women. The National Empowerment Policy, 2001 also emphasized that women's economic empowerment may be visualised only with the development of women entrepreneurship. Generally, the areas chosen by women are retail trade, restaurants, hotels, education, cultural, insurance, manufacturing, so on and so forth. Majority of the women entrepreneurs have undertaken enterprises like Beauty Parlours, Fancy Stores, Hardware, Readymade dresses, Food processing, etc.

Women in Kerala no longer remains confined within the four walls of house. They are participating well in all spheres of activities and have started industries and are running their enterprise successfully . Hence, the biggest challenge facing the world is ensuring financial services reach the unreached sections to provide and impetus to the processes of inclusive economic growth financial inclusion has positive externalities and is a public good.

Women have identified as carrying the burden of poverty and apparently this seemed to be the reason why they have been put in the spotlight of development agencies. Kudumbhashree's different strategy of addressing the problems of needy women is interesting. Earlier poverty alleviation programs in India had been criticized for applying a strict 'top-down' approach, which was said to limit the practices and progresses of the programs. In contrast, the main idea of Kudumbhashree was to change the situation of the poor 'from below' by giving support and to make possible incentives for action on grass root level through a participatory approach. The idea of decentralization permeates the structure of the Community Based Organization (CBO) in Kudumbhashree and attempts to secure participation at grass root level through division of the project into three levels namely, Neighbourhood Groups (NHG), Area Development Society (ADS) and Community Development Society (CDS).

From the analysis, following suggestions can be made to improve the performance of project provided by Kudumbhashree units to empower women. Proper training and awareness should be given to the members about the new schemes, in order to acquire more knowledge about the schemes. Continuous and rigorous leadership training required for individual and group members. Women empowerment and awareness program should be conducted at regular intervals. Provide Government Job, funds for self-employment and advance training to members. The Kudumbhashree project should enhance social welfare programmes and high return saving schemes. The Government should ensure the units with efficient marketing facilities, to sell their products. The success of the scheme, to a great extent, depends on the initiatives taken by the Grama Panchayaths in the preparation of action plans and their executions. The Panchayath Council and staff need to be trained to take up various activities permitted

under the Kudumbhashree in an integrated manner. They also need to be trained, so that they can effectively formulate the proposals and projects. Involve more youngsters in Kudumbhashree units so that they can generate more innovative ideas for increasing the performance of kudumbhashree. Provide internal loans to the right persons at the right time in a right manner. To create an economic bond between all members. To provide pension schemes for the members who are above 55 years. Provide educational schemes for children and timely loans at low interest rate to acquire necessities of the members. Provide more job opportunities for jobless people. Provide financial assistance to members to enhance them from the poverty line and special financial help to widows. Long duration funding with low rate of interest is required for sustainable women empowerment via entrepreneurial activities. Support from the family is the most vital factor. 24 X 7 Helpline numbers are required for proper guidance. Audio-visual aids and programs like radio, television, etc. will boost the women empowerment and development strategies. Entrepreneurship as a subject should be taught as part of the school and college curriculum.

“ When women forward, the family moves, the village moves, the nation moves”.
PANDIT JAWAHARLAL NEHRU

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