

Entrepreneurship Development through Micro Enterprise and Its Impact on Women Empowerment -A Study of Assam

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Paper Received on November 09, 2016, Accepted on December 17, 2016 and Published Online on February 14, 2017

ABSTRACT

Micro enterprise is an effective instrument of social and economic development. Micro enterprises aim at developing and utilizing the entrepreneurial talent and potential of women entrepreneurs to meet the local needs. It has been also accepted that entrepreneurship development through micro enterprise is an economic venture by which a large number of people can be changed within a short period of time especially from the point of view of employment generation. This study was conducted in three districts of Assam. The total number of sample was 120 which included both registered and unregistered women. The nature of the study is both Exploratory and Descriptive. For selecting the representative sample for the study, simple random sampling method was adopted for selection of the districts and proportionate random sampling method was adopted for selection of the respondent's. The CRD analysis highlighted the significance difference among all aspects of empowerment in the weaving sector.

Keywords: *Entrepreneurship; Micro enterprise; Women empowerment;*

Entrepreneurship development through micro enterprise is an important factor for sustainable socio-economic development of a nation. Because, entrepreneurship is considered as an engine of growth for an economy. It is the central force of economic activity and prime mover of economic development. Moreover, it is vital for businesses' and economies' growth. It has a creativity that promotes the foundation of new organizations. Entrepreneurship happens to be one of the best way towards self-sufficiency and poverty alleviation for women in a country where employment is not guaranteed. Moreover, involvement of women in entrepreneurial activities would ensure effective utilization of labour, generation of income and hence improvement in quality of life. Economic empowerment of women by entrepreneurial activities led to the empowerment of women in many things such as socio-economic opportunity, property rights, political representation, social equality, personal right, family development, community development and at last the nation development. The role played by an entrepreneur is of vital importance in developing country like India,

where there are ample opportunities for using innovations to exploit the available resources, particularly in all fields that includes weaving and food processing and preservation sectors also. There is a large scope for entrepreneurial involvement as it provides employment, generates income, wealth and act as a key force for economic growth of a region. So it is necessary to encourage women to enter in the gainful profession of entrepreneurship to develop socially, economically and technologically to enable them to stand in society on their own with confidence. Because entrepreneurship plays an eminent role in creating an employment opportunity for rural communities, providing self-employment for those who have started-up a business of their own and enhancing the economic status of the rural sector as well. Now women are also interested to establish their own business as professionally both in the urban and rural areas due to overcome poverty, generate family income and to increase standard of living. In this context, the Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

in terms of which the definition of micro, small and medium enterprises is as -a Micro Enterprise is an enterprise where investment in plant and machinery does not exceed Rs 25 lakh, a Small Enterprise is an enterprise where the investment in plant and machinery is more than Rs 25 lakh but does not exceed Rs 5 crore and medium enterprise is an enterprise where the investment in plant and machinery is more than Rs 5 crore but does not exceed Rs 10 crore.

The increasing presence of women in the business field as entrepreneurs or business owners in the last decades has changed the demographic characteristics of entrepreneurs. Moreover, North East is seen as a region where more women are involved in income generating activity than women of the other parts of the country. Different research studies have shown that more number of women are involved in micro enterprise than small and medium enterprises. Therefore, an effort has been made to study "Entrepreneurship development through micro enterprise and its impact on women empowerment-A study of Assam". The investigation was carried out with the following objectives:

- i. To study socio- personal and economic characteristics of the women entrepreneurs engaged in micro enterprises.
- ii. To assess impact of micro enterprise on economic empowerment of women entrepreneurs

METHODOLOGY

This study was conducted in three districts namely Kamrup district, Lakhimpur district and Jorhat district of Assam. A list of women entrepreneur was collected from District Industrial and Commerce Centre (DICC) of the selected districts which contained the names of registered entrepreneurs only. Moreover, some of the entrepreneurs listed under District Industrial and Commerce Centre (DICC) were not found in the practical field which may be due to many reasons such as marriage, illness, financial crises, and change in address and contact number, sudden death of family members and so on. Since Micro, Small and Medium Enterprise (MSME), Indian Institute of Entrepreneurship (IIE) are other organizations engaged in promoting and support of entrepreneurship development among women, another list of entrepreneur was collected from these organizations which included both registered and unregistered women entrepreneurs. Then a final list was

prepared including the entrepreneurs listed under all these institutions namely DICC, MSME, and IIE which reflected that majority of the micro enterprises were in the area of weaving. This might be due to the fact that women can run their enterprises being at home along with their household activities in this area. The criteria for selection of women entrepreneurs was decided as entrepreneurs must have completed at least three years of their enterprise and employed at least two or more regular employees of either sex. Then, a total of 120 numbers of women entrepreneurs engaged in weaving sector were selected which included both registered and unregistered women entrepreneurs.

On the other hand, Impact assessment is a means of measuring the effectiveness of activities and judging the significance of changes brought about by different activities. It is neither Art nor Science, but both. Impact assessment is intimately linked to Mission and in that sense, ripples through the activity. Impact of micro enterprise on empowerment of women entrepreneurs was assessed in six dimensions namely economic, social, familial, legal, political and psychological factors through development of women empowerment indices. For finding out the difference between before and after, data was collected from entrepreneurs after starting the enterprise through personal interview method which was supplemented by records and documents. The collected data was coded, tabulated and analyzed in accordance with the objectives of the study. The statistical techniques used for analysis of data were-Frequency and percentage; Mean Score; Paired 't' test; Empowerment Indices and Critical Randomized Design (CRD Analysis)

RESULTS AND DISCUSSION

For easy interpretation the results and discussion were grouped in the following sub-heads:

Age: The data presented in the Table 1 revealed that a large majority (75.00%) of the respondents engaged in the area of weaving were from lower middle age group (31-50 years), followed by young with 14.17 per cent. Only a small percentage (10.83%) was from upper middle age group might be due to secure their families economically that inspired them to enter in this area as a livelihood option. The findings are in the same line with the findings of *Pharm and Sritharam (2012)*, *Palaniappan et al. (2012)* and *Alam et al.(2012)*.

Caste: The data on distribution of respondents according

to their caste is presented in the Table 1 reflected that a sizeable per cent of the respondents (30.00%) engaged in the area of weaving were from general caste, followed by schedule tribe (27.50%). The findings are in same line with *findings of Jha (2012)*.

These findings revealed that respondents in the present investigation were from different caste with higher in general caste category which might be due to the study area selected under this investigation was dominated by general caste people.

Educational Qualification: The data presented in the Table 1 indicated that a sizeable per cent of the respondents (40.00%) engaged in weaving area were HSLC passed followed by higher secondary passed (20.00%). The findings reflected that women in the study area had varied level of educational qualification. With education women entrepreneurs learn some business tips thus decided to enter in the area of enterprise development as a source of business for their livelihood.

Marital status: The data with regard to marital status is presented in the Table 1 highlighted that a large majority of the respondents (84.17%) were married. Only a small percentage (2.50%) were widower in the area of weaving which might be due to the fact that being married the financial liability of the respondents increases such as education of the children, health security of family, so they are inclined to set up a weaving unit as a source of assured income. Similar finding was reported by Pharm and Sritharan (2014), where it was reported majority (69.00%) of women entrepreneurs were married in Erode district of Tamil Nadu.

Family type: The data with regard to the type of family is presented in the Table 1 revealed that more than half of the respondents were from nuclear family and followed by joint family. The findings reflected that nuclear family is replacing the joint and extended family in our society which might be due to the disintegration of joint and extended family systems in the present day society in rural areas.

Family size: The data with regard to the size of family is presented in the Table 1 showed that more than half of the respondents were from small family . The findings were contrast with the findings of Ram et al. (2013). The findings also indicated that young generation mostly preferred small families as it provides golden opportunity for everyone to utilize their spare time efficiently in any areas of enterprises.

Family occupation: The data on main occupation of family is presented in Table 1 indicated that business was the main occupation for 63.33 per cent of respondents in the area of weaving. Majority of the respondents belonged to the business family which was a great influencing factor for the respondents to take up entrepreneurship as a profession due to the prevailing of business to establish their own identity as well as to reach success in the area of weavin

Type of house: The data with regard to type of house possessed by the respondents is presented in the Table 1 indicated that majority of the respondents had pucca

Table 1. Distribution of respondents according to socio-personal and economic characteristics (N=120)

| Characteristics | No. | % |
|----------------------------------|-----|-------|
| <i>Age</i> | | |
| Young (<30 years) | 17 | 14.17 |
| Lower middle (31years to 50) | 90 | 75.00 |
| Upper middle (51 years and <) | 13 | 10.83 |
| <i>Caste</i> | | |
| ST | 33 | 27.50 |
| SC | 24 | 20.00 |
| OBC | 27 | 22.50 |
| General | 36 | 30.00 |
| <i>Educational Qualification</i> | | |
| Upto class X | 23 | 19.16 |
| H.S.L.C. Pass | 48 | 40.00 |
| H.S.Pass | 24 | 20.00 |
| Graduate | 18 | 15.00 |
| Post Graduate | 5 | 4.17 |
| Certificate of Fashion designing | 2 | 1.67 |
| <i>Marital Status</i> | | |
| Unmarried | 16 | 13.33 |
| Married | 101 | 84.17 |
| Widow | 3 | 2.50 |
| <i>Family structure</i> | | |
| Family type | | |
| Nuclear | 76 | 63.33 |
| Joint | 30 | 25.00 |
| Extended | 14 | 11.67 |
| <i>Family size</i> | | |
| Small (up to 4 members) | 74 | 61.67 |
| Medium (5-7 members) | 29 | 24.17 |
| Large (8 and above) | 17 | 14.16 |
| <i>Family occupation</i> | | |
| Service | 2 | 1.67 |
| Business | 76 | 63.33 |
| Farming | 42 | 35.00 |
| <i>Type of House</i> | | |
| Katcha | 1 | 0.83 |
| Mixed | 29 | 24.17 |
| Pucca | 90 | 75.00 |

houses. This could be due to the reason that respondents in the present investigation are able to contribute to the family expenditure and supplement the family income that aided to improve the housing condition by converting katcha house to mix and mix house to pucca house.

Impact of micro enterprise on empowerment of women entrepreneurs: The data presented in the Table 2 revealed that there is improvement in all aspects of the entrepreneurs in the area of weaving except the legal aspect which was reflected through the mean difference in the obtained score before taking up enterprise and after becoming an entrepreneur.

The probable reason of change between two stages in the area of weaving might be due to interaction with successful entrepreneurs, active participation in expo/mela which inspired them to change their perspective regarding different aspects of empowerment.



Fig.1. Impact of micro enterprise on empowerment of women entrepreneurs

Table 2. Impact of micro enterprise on empowerment of women entrepreneurs

| Aspects of empowerment | Stages | Weaving | |
|------------------------|--------|------------|---------|
| | | Mean index | t-value |
| Economic | Before | 17.82 | 13.53** |
| | After | 27.60 | |
| Social | Before | 19.14 | 9.78** |
| | After | 24.70 | |
| Familial | Before | 25.20 | 12.97** |
| | After | 36.31 | |
| Legal | Before | 20.54 | 1.38 |
| | After | 22.79 | |
| Political | Before | 19.82 | 8.12** |
| | After | 49.23 | |
| Psychological | Before | 29.08 | 12.43** |
| | After | 33.69 | |

The data further reflected that change in legal aspect was not highly significant might be because they

started their enterprise at micro level and still continuing as micro enterprise where much of the legal procedures are not involved. Further, majority of the respondents started their business with sole proprietorship, so need of legal adviser was almost nil, that might be the reason though there was a change but not very high.

Hence, government should organize awareness camp, training programme covering the aspects of legal issues related to enterprise development. Legal right of workers, labour right along with the legal rights of women to increase the knowledge of entrepreneurs regarding legal aspect.

Impact of micro enterprise on different aspects of economic empowerment: To identify the significant difference between economic aspects under economic factor, Completely Randomized Design Analysis (CRD) was used in the area of weaving.

Table 3. Impact of micro enterprise on different factors of economic empowerment of women entrepreneurs

| Economic factors | Mean index Weaving |
|------------------------------------|--------------------|
| Control over income | 27.00 |
| Purchase of household property | 26.50 |
| Involvement in household decisions | 43.00 |
| Availing loan | 16.50 |
| Repayment of loan | 9.50 |
| Engagement of labour | 15.20 |
| Opening of own account | 33.00 |
| Operating the account | 16.00 |
| Contribution in education | 21.50 |
| Contribution in health | 17.50 |
| Contribution in food | 31.00 |
| Contribution in clothing | 8.50 |
| Contribution in ceremonies | 14.50 |
| SEm | 8.85 |
| CD | 15.46 |

The findings showed the significance difference among all aspects in the weaving sector. The maximum influencing factors in weaving sector were involvement in household decisions, opening of own account and contribution in food followed by control over income and purchase of household property.

The findings also revealed that the savings habits of respondents have been increased after stating the micro-enterprises. Through these savings, they were able to fulfil their sudden economic needs. So, the economic empowerment is attained after starting micro-

enterprise. Similarly, the decision-making power in the family affairs is vested in the hands of the women entrepreneur, after their involvement in micro-enterprise, which is the indicator of social empowerment. The micro-enterprises have inculcated self-confidence among the women entrepreneurs which shows that they are socially empowered. It is concluded that women have attained empowerment in economic, social and familial, legal, political and psychological spheres after starting the micro-enterprises, which a true reflection of women empowerment.

CONCLUSION

The findings on impact of micro enterprise on empowerment of women entrepreneurs reflected that all the aspects of empowerment differ significantly in

the area of weaving. The findings further highlighted that there is improvement in all aspects of the entrepreneurs in the area of weaving except the legal aspect. The CRD analysis also showed the significance difference among all aspects in the weaving sector. The maximum influencing factors in weaving sector were involvement in household decisions, opening of own account and contribution in food followed by control over income and purchase of household property. The study concludes that there was an increase in self-confidence, self-reliance and independence of rural women due to involvement in the entrepreneurial activities. Therefore, entrepreneurial awareness among the people in general and educated in particular is perhaps an urgent need to generate more income and reduce the acute problem of unemployment.

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