

ECONOMIC HAPPINESS THROUGH MICRO ENTREPRENEURSHIP – A CASE STUDY OF WEST BENGAL URBAN MICRO WOMEN ENTREPRENEURS

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ABSTRACT

Providing affordable small credit to the entrepreneurial poor to initiate self-employment has been recognized as a prime component of development strategies from a long time to alleviate poverty in India. In particular, Women Micro-Entrepreneurship is considered to be an appropriate option for a sustainable development of household economy in the urban West Bengal. Many schemes and resources have thus been devoted to the provision of such micro-credit targeted at the poor, especially women. The Ministry of HUPA, GoI currently runs various major programmes targeting urban poor and improving the access of them to basic services and sustainable livelihood. These include NRY, SJSRY, BSUP, JNNURM, IHSDP and RAY. Of late in 1990s, Urban Livelihood Programmes (ULPs) like SJSRY and JNNURM were floated to encourage entrepreneurship among urban poor women. The present research has made a humble attempt to study the manifestation of economic happiness among the urban micro women entrepreneurs as an impact of the micro-entrepreneurship and to suggest some policy recommendations for spreading economic happiness among poor women.

INDEX TERMS: Urban, West Bengal, Micro-entrepreneurship, Economic Happiness.

1. INTRODUCTION

“Women do two thirds of the world's work. Yet they earn only one tenth of the world's income and own less than one percent of the world's property. They are among the poorest of the world's poor” - Barber B Conable Jr¹.

Women in general are the most disadvantaged people in a society, though their status varies significantly according to their social and ethnic backgrounds. Women had been subjected to gender discrimination, which was manifested in various ways. Although, often discriminated on the ground of physiological characteristics, eventually leading into the questioning of the capability of women, the gender discrimination is, perhaps, surreptitiously underlined with the psychology of domination of one, over the other. This domination often represented in unspoken traditions and conventions performed in everyday behaviors, customs, and habits eventually leading into a patriarchal society, where the ethical existence of an opposite human community was made, almost obliterated, against the other². Women under such societal condition cannot take part in any development activity and bear a disproportionate burden of the world's poverty due to discrimination they face in education, health care, employment and control of assets and resources, so also in entrepreneurship. When the micro-entrepreneurship is treated as the panacea to eradicate the exclusion and deprivation, the gender limitation made the women the most vulnerable group in the human society. They are deprived of business opportunities and leadership and, due to lack

of financial ability they cannot initiate any business that could be productive and cannot think of any business independently³.

Empowering the women is the development of skills and ability of women, enables them to manage better, have a say in or negotiate with existing development delivery systems. Some see it as more fundamental and as essentially concerned with enabling women to decide upon and undertake actions which they believe are essential to their development. The empowerment process encompasses several mutually reinforcing components but begins with and is supported by economic independence which implies access to and control over production resources (Orhan and Scott, 2001)⁴. A second component of empowerment is knowledge and awareness, the third is self-image and the final is autonomy. Women's movement and feminist thinking have gone a step further and questioned the prevalent models of development which provide the parameters within which we think and act. They advocate structural and cultural transformation of society, thereby creating a more egalitarian relationship between men and women. For this, the empowerment of women is a must (Rosener, 1990)⁵. As women's decision-making power increases, the welfare of their children and the family in general, benefits. Women who achieve greater education and financial independence are also more likely to worry about their children's survival, nutrition, and school attendance. Employment is not only about financial independence, but about higher security through an established legal position, real world experience, deeply important for sheltered or shy women, and higher regard within the family, which gives women a better bargaining position (OECD 2004)⁶.

Although women contribute much time and energy to keep the nation going, their contribution is scarcely recognized. As Jackson H says "A woman who created and sustains a home and through whose heads children grow up to be strong and pure men and women, is a creator second only to God (Usha, 2003)⁷". One of the most important changes that have taken place in recent time in the world is the recognition of the growing status of women in the household and in society at large. Socio-economic advancement of a country can be best judged by the status and position which it can bestow on its women. So the level of economic equality and independence are the real indicators to measure the status of women in any society (Marlow, 1997)⁸. And the economic happiness is the forerunner for the women to bestow the after-effects of the empowerment.

2. STATEMENT OF THE PROBLEM

Poverty is a stumbling block for advancement of any developing nation. Unfortunately India is not an exception to this rule. According to a 2005 World Bank estimate, 41.6% of the total Indian population falls below the international poverty line of US\$ 1.25 a day. Poverty itself brings a lot of other problems like illiteracy, malnutrition, lack of secured and steady employment/livelihood, etc. The women and children happen to be the worst sufferers of poverty. Since men are traditionally regarded as the go-getters and earning members they automatically enjoy discriminating advantages in all spheres of life in comparison to women, who, on other hand are treated as house keeper and child bearers. However the status of women in India has been undergoing a sea-change. Supported by Constitutional guarantees to ensure dignity and equal opportunities, their active participation in all walks of life including education, politics, sport etc., has been growing. Taking note of women's role in the nation-building activities, the Government had declared 2001 as the year of Women's Empowerment by adopting a National Policy to offer "Swashakti" to women. Several laws have also been adopted to empower women socially, economically, legally and politically. Considering the role of women, the country's backbone, the Government had taken several measures to strengthen the livelihood options with the active participation of state govt. and NGOs.

Microenterprise development is a remedy for the excluded, especially women. It does not replace the need for different governments to develop coherent and effective macroeconomic policies. Rather, this approach to socio-economic development embodies the recognition that macro level policies alone have not significantly reduced poverty nor materially improved the living standards of the poor in both the developing and developed world. As a result, microfinance services and microenterprise development can be considered as the panacea to help women to gain access to financial services or to achieve their microenterprise goals. However, it does provide an important tool for reaching to underserved populations and, coupled with sound development policies, it has the capacity to reach and change the lives of many. Women comprise half of human resources they have been identified as key agents of sustainable development and women's equality is as central to a more holistic approach towards stabilizing new patterns and process of development that are sustainable⁹ (Thakur, 2009). The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. (Agrawal et al, 2009)¹⁰.

With a rich potential traditional background and traditional knowledge, business viability, and presence of skilled manpower, North and South 24 Parganas districts are the place for the poorest women urbanites in the state of West Bengal. The sustainable livelihood is a distant dream for them. The MEP and MFP are the programs, though the Urban Livelihood Development Programmes (ULDPs), what can bring them the sigh of relief from the clutches of acute poverty and underdevelopment. The use of their traditional knowledge and upgraded modern skill, not making these excluded strata of the society alien to their culture and tradition, the MEs can make them socio-economic independent and sustainable. The present research is centering on the described frameworks to testify the concurrence of the economic happiness among the urban women micro-entrepreneurs, which in turn lead to empowerment of the women in long run.

3. LITERATURE REVIEW

Microenterprise refers to any economic unit engaged in the production and distribution of goods and services at household level. It is primarily self-employed in nature. The enterprise runs on little amount of capital investment at a fixed market centre or mobile business locations. This sector is identified with features like reliance on indigenous resources, family ownership of enterprises, small scale of operations, labour intensive & adopted technologies, and minimum skill. Microenterprise, therefore, is particularly suitable for poor communities (Baydas et al, 1994)¹¹.

Despite these obstacles, many women are involved in income generating activities, particularly small scale home-based businesses compatible with their household and care-taking responsibilities. However, it is extremely difficult to sustain or expand these activities without electricity, running water, modern fuels for cooking, heating and lighting. Successful agriculture based operations also require pumps for irrigation and mechanical power for processing harvests. Other typical income-generating activities — processing food, baking, and producing pottery using kilns — require large amounts of thermal energy. Without access to modern fuels, women must collect large amounts of wood, dung, agricultural wastes or other traditional fuels. This detracts from activities that would directly improve their families' economic prospects. (Hashemi, 1996)¹²

Comparing pre and postcolonial era it is appreciably found that women are presently trying to be more independent economically, because of general improvement in literacy level, gradual decadence of joint family system and present wave of urbanization along with the outcomes of different movements, structural transformation, unemployment and acute sense of economic independency (Noponen, 1991)¹³.

Micro and small-scale enterprises (MSE) are affordable and manageable by women with limited resources. They create a large number of non-farm employments and income opportunities in relatively poorly developed areas and require small capital and little sophisticated managerial and technical skills. MSEs are also the seedbeds for a broad development of the private sector throughout the country, forming the foundation for the national economy and social development at the grassroots. Self-help groups empower micro- and small entrepreneurs to identify their needs, plan and implement their own projects, share the benefits of their collective efforts and evaluate their programmes and projects (Sundaram, 2001)¹⁴.

Economic empowerment is an added dose to social-status of a woman but without being employed also an educated mother can take part in economic process by strict adherence to NPP, which is need of hour for a country like India. What tremendous role the educated mother can play, towards prosperity of state is shown by Prof. Amartya Sen, in reference to Kerala, where fertility rate (1.8%) is lower than China (2 %) (Dreze and Sen, 1995)¹⁵. By regulating quality of family life, one can easily draw linkage between micro and macro aspects where a woman, plays role of both mother and income generator. Her level of necessity and literacy will determine nature of job that she will pick up, which again determines quality of nourishment of children who are future human capital for society. So whatever role she performs she influences the state economy, directly/ indirectly urging upon proper recognition and evaluation of her status from all corners (Kabeer, 1994)¹⁶.

Increased participation of women in the labour force is a prerequisite for improving the position of women in society. They can do wonders by their effectual and competent involvement in entrepreneurial activities. They are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. Now, what is the need is knowledge regarding accessibility to loans, various funding agencies procedure regarding certification,

awareness on government welfare programmes, motivation, technical skill and support from family, government and other organization. (Moser, 1987)

This will motivate the women to engage in micro entrepreneurship with the right assistance and they can strengthen their capacities besides adding to the family income and national productivity. Finally, it can be summed up that women play a vital role as income earner, now-a-days. It also changes their personality and living standards and there is a phenomenal increase in the number of self-employed women (Mukhopadhyay and March, 192)¹⁷.

4. OBJECTIVES OF THE STUDY

With the above backdrop, through the present research, an attempt has been made to analyse the development of economic conditions of the urban micro women entrepreneurs through the micro-entrepreneurship in the state of West Bengal and to suggest some policy recommendations to make these micro-entrepreneurship programmes (MEPs) effective and efficient for sustainable livelihood and to spread economic happiness.

5. METHODOLOGY

5.1. Hypothesis: The present study is based on the following hypothesis.

H₀ – micro entrepreneurship leads to economic happiness of the women entrepreneurs of urban West Bengal.

The micro-entrepreneurship leads to -

- *Factor-1.* an increase in the level of household income;
- *Factor -2.* greater diversification in the sources of household income;
- *Factor -3.* an increase in household assets, including improvements in housing and major household appliances etc.,
- *Factor -4.* an increase in the household's effectiveness in coping with shocks.
- *Factor -5.* an increase in the client's control over resources and income; and greater influence over the household's economic decisions;

5.2. Areas of Study: For the present study the North 24 Parganas districts of West Bengal were purposefully selected. The causes for selection of these two districts are - the North 24 Parganas is urban dominated as 42.41% of population.

5.3. Samples, Sources of Primary Data: The Primary data was collected from 160 sample women entrepreneurs, who had started the MEs at least not later than 2006, from the universe consisting of the women beneficiaries of various urban livelihood programmes (ULPs) residing in the Barrackpore Municipal Area in Barrackpore Sub Division, North 24 Parganas District of West Bengal, through a random and convenience sampling method. For Round I of the survey in the year 2007, the intention was to draw a sample of 300 households, through a pilot studied questionnaire schedule. An attrition rate of 15-20 per cent was anticipated in Round II of the survey in the year 2014. Finally, this would leave a panel of 160 women entrepreneurs from whom information from both rounds had been collected, after testing reliability and validity of the data collected.

5.4. Statistical Tools used for Analysis: Analysis of the data for both rounds of the survey followed the core AIMS data analysis plan. This called for a set of descriptive tables for data from Rounds I and II, plus two types of statistical analysis - gain score analysis and ANOVA. In addition, other forms of cross-section and longitudinal analyses were carried out.

6. ECONOMIC HAPPINESS AND MICRO-ENTREPRENEURSHIP – AN ANALYSIS

The underlying rationale for a household approach to impact assessment of micro- entrepreneurship on the economic happiness in the study area is that microenterprises are a part of a larger, dynamic household economy within which decisions are made and resources are allocated in response to a complex set of internal and external forces. Once the entrepreneurs get a constant inflow of income and the growth is sustained then that lead to

development and growth of economic happiness among the urban poor women of the study area, the North 24 Parganas Districts of West Bengal.

Hypothesis H_0 : *Micro-entrepreneurship (ME) leads to an increase in household income.*

Findings: *Household income appears to be significantly impacted by participation in the financial services of Micro-entrepreneurship (ME). This is true both for aggregate income and for income per capita.*

- a. **Total household income:** As noted earlier, mean household annual income in Round I is highest for trading entrepreneurs (9208.33 rupees) and lowest for Medical aid entrepreneurs (8882.14 rupees). All the borrowers group had non-significantly differed average monthly incomes in Round I (Table 1).

Table 1: Average Monthly Income of the HH During Two Rounds of Survey

Types of activities	Round – I Survey			Round – II Survey			Change	
	Mean	SD	SE	Mean	SD	SE	Absolute	%
Tailoring	9102.94	1936.23	282.75	23226.60	2545.97	389.54	14123.66	155.15
Beautician	9031.25	1908.67	304.76	22915.65	2597.15	402.46	13884.40	153.74
Medical Aid	8882.14	1883.45	387.40	28125.23	2542.74	485.67	19243.09	216.65
Artisan	9140.74	1983.56	309.23	28123.98	2657.32	394.36	18983.24	207.68
Others	9208.33	1965.43	378.45	28116.45	2389.75	523.45	18908.12	205.34
Total	9070.63	1973.53	176.69	26041.28	2445.50	198.94	16970.65	187.09

The income advantage enjoyed by any group did not prove to be significant statistically. Between survey rounds, it is observed that, the mean annual real income of the entire panel rose from 9070.63 rupees to 26041.28 rupees, an increase of 187.09 per cent. All participation groups raised their annual mean incomes, but the increase was far larger for medical aid entrepreneurs (19243 rupees, or 216.65%) and artisans (18983 rupees or 207.68%) than for traders (18908 rupees or 205.34%), Tailoring entrepreneurs (14123 rupees or 155.15%), and beauticians (13884 rupees or 153.74%). These increases were statistically significant, but the significance of intergroup differences in amount of change could not be demonstrated. (Table – 2).

All five specifications of the ANOVA, which brought several moderating variables into play, produced significant results. Participation in micro-entrepreneurship (ME)'s financial services was positively related to household income for these women entrepreneurs as a whole. In addition to the significance of these moderating variables, there is strong indication that financing through micro-entrepreneurship (ME) and saving both raise household income. There are impacts both from current participation in ME and from repeated borrowing over a period of time. Those who borrowed more times had higher average household incomes than those who borrowed fewer times.

Table 2: Analysis of Variance (ANOVA) of Average Monthly Income of the HH During Two Rounds of Survey

Activities	F	F crit	Significance of Change
Tailoring (34)	588.51	3.99	Significant
Beautician (32)	385.08	3.99	Significant
Medical Aid (28)	253.02	4.01	Significant
Artisan (54)	497.98	3.93	Significant
Other (12)	102.55	4.30	Significant
Total (160)	1533.24	3.87	Significant

- b. **Household income per capita:** Participation in micro-entrepreneurship (ME) is also strongly associated with higher household income per capita. In Round I, annual income per household member averaged 10,800 rupees for tailoring entrepreneurs, 8,400 rupees for beauticians, 7,200 rupees for medical aid entrepreneurs, 9,600 rupees for artisan entrepreneurs and 10,800 rupees for traders. Changes shows an absolute change of 75,022 rupees (808%) in Round – II survey (Table 3).

Table 3: Average Annual HH Income Per Capita During Two Rounds of Survey

Types of activities	Round – I Survey			Round – II Survey			Change	
	Mean	SD	SE	Mean	SD	SE	Absolute	%
Tailoring	10800	1612.29	282.75	48001.56	1867.34	267.50	37201.56	344.459
Beautician	8400	1306.67	304.76	45600	1467.67	234.45	37200	442.86
Med. Aid	9200	1438.45	387.40	108902.76	1753.34	256.01	101702.76	1412.54
Artisan	9600	1687.16	309.23	109754.40	1798.56	248.72	100154.40	1043.28
Others	10800	1437.43	378.45	118497.36	1804.54	267.50	107697.36	997.20
Total	9285	1583.53	176.69	84307.80	1567.83	198.23	75022.80	808.00

Table 4: Analysis of Variance (ANOVA) of Average Annual HH Income Per Capita During Two Rounds of Survey

Source of Variation	df	SS	MS	F	F crit
Between Groups	1	14742227137	14742227137	22.55	5.32
Within Groups	8	5230605453	653825681.6		
Total	9	19972832590			

The ANOVA showed that all had significantly more income in Round II than that of Round I (Table 4). Borrowers in our sample borrow for a variety of purposes that are consistent with the goals and purposes of micro-entrepreneurship (ME). Despite the differences related to the form of economic activity a woman pursues, all households may need to borrow sometimes to meet household financial needs, such as housing improvement, life cycle events, and emergencies. Our study finds that, even among the micro entrepreneurs, much of the borrowing was intended to meet such needs, not to expand the microenterprise at the initial phase but after it was changed with higher income flow. Another implication of this pattern of household finance is that the a priori expectation that the impact of borrowing should be greater than the impact of saving may not apply. The results are strongly suggestive and invite further analysis to determine how participation raises household income.

Hypothesis H2: Participation in Micro-entrepreneurship (ME) leads to diversification of income sources for the responding households in the study area.

Findings: There is evidence favouring this hypothesis.

Table 5: Diversification of Income During Two Rounds of Survey

Types of activities	Income in Round – I Survey			Income in Round – II Survey			Change	
	Total	Non-ME	%	Total	Non-ME	%	Absolute	%
Tailoring	9102.94	900	10.97	23226.60	4000.13	17.22	3100.13	344.46
Beautician	9031.25	700	8.40	22915.65	3800	16.58	3100	442.86
Med. Aid	8882.14	600	7.24	28125.23	9075.23	32.27	8475.23	1412.54
Artisan	9140.74	800	9.59	28123.98	9146.2	32.52	8346.2	1043.28
Others	9208.33	900	10.83	28116.45	9874.78	35.12	8974.78	997.20
Total	9070.63	773.75	9.33	26041.28	7025.65	26.98	6251.9	808.00

Table 6: Analysis of Variance (ANOVA) of Diversification of Income During Two Rounds of Survey

Source of Variation	Df	SS	MS	F	F crit
Between Groups	1	102376577.34	102376577.34	22.55	5.32
Within Groups	8	36323648.98	4540456.12		
Total	9	138700226.32			

In Round I, sampled households had an average non-ME income 773.75 rupees, which is only 9.33% of the total monthly income of the household ranged between a highest of 900 rupees for tailoring (10.97%) and trading entrepreneurs (10.83%) and lowest of 600 rupees (7.24%) for medical aid entrepreneurs. Intergroup differences in income diversification proved insignificant in the ANOVA at the .01 level. Between survey rounds, the average Non-ME income rose to 7025.65 rupees which is 26.98% of the total income for the total respondents. The averages for all five participation groups also increased. Borrowing had a statistically significant effect on income

diversification. ANOVA conclude that borrowing from micro-entrepreneurship (ME) may promote income diversification (Table 6). In the micro financial field, there is a common perception that the willingness or ability to diversify income sources is a positive sign of entrepreneurship. Our survey found that most households in the sample have multiple sources of income and that there is no significant difference in this measure among households. In brief, more of the HHs diversified their income sources out of necessity in response to fluctuations in existing sources of income than did so out of an interest or ability to add income sources.

Hypothesis H3: Participation in Micro-entrepreneurship (ME) service leads to increased expenditure on household assets.

Findings: The hypothesis is that participation in Micro-entrepreneurship (ME) leads to increases in household assets, including improvements in housing and increased ownership of major household appliances and transport vehicles. There is some evidence that this is so. Borrowers seem to spend more on housing improvements and repeat borrowers spend more on consumer durables as well as housing improvements.

a. **Expenditure on Housing Improvements:** In both rounds of the survey, respondents were asked how much they had spent on housing improvements over the previous years. In Round I, the average borrowers reported spending 7,390 rupees on housing improvements over the past years, whereas the spending in the Round II is 18,870 rupees, an increase of 155.48%. Increases in spending on housing improvements between the two rounds of the survey also favoured borrowers in absolute terms, but were quite similar across the groups in percentage terms. Expenditure in Round II was significantly greater than in Round I, as per the ANOVA. Intergroup differences in the absolute amount of increase were also insignificant. When the ANOVA test was performed, introducing the form of housing tenure and the number of loans received as moderating variables, only one moderating variable (household size) proved significant in itself, but borrower status was elevated to significance at the 0.05 level.

Table: 7: Average Annual Housing Expenditure During Two Rounds of Survey

Types of Activities	Expenses for Housing			No of loans Vs. Housing Expenses	
	R-I	R-II	Change %	No of loans	Avg. Expenses
Tailoring	7,320	19,000	159.56	1	24,800
Beautician	7,370	19,200	160.52	2	32,670
Med. Aid	7,330	18,705	155.18	3	48,560
Artisan	7,500	18,750	150.00	4	56,600
Others	7,289	18,550	154.49	5	58,400
Total	7,390	18,870	159.56	6	74,500

Table: 8: Analysis of Variance (ANOVA) of Average Annual Housing Expenditure During Two Rounds of Survey

	Source of Variation	df	SS	MS	F	Fcrit
Expenses for Housing	Between Groups	1	329430081.6	329430081.6	8999.44	5.32
	Within Groups	8	292844.8	36605.6		
	Total	9	329722926.4			
No of loans & Housing Expenses	Between Groups	1	7277130757	7277130757	44.14	4.96
	Within Groups	10	1648482368	164848236.8		
	Total	11	8925613124			

Table: 9: Average Annual Housing Expenditure During Two Rounds of Survey

Types of Activities	Expenses for Assets			No of loans Vs. Asset Expenses	
	R-I	R-II	Change %	No of loans	Avg. Expenses
Tailoring	3,200	7,400	131.25	1	4500
Beautician	3,320	8,200	146.99	2	7000
Med. Aid	3,400	7,800	129.41	3	8900
Artisan	3,980	8,005	101.13	4	12000
Others	3490	7650	119.20	5	12500
Total	3544.00	7852.94	121.58	6	17000

Table: 10: Analysis of Variance (ANOVA) of Average Annual Housing Expenditure During Two Rounds of Survey

	Source of Variation	df	SS	MS	F	Fcrit
Expenses for Assets	Between Groups	1	46937222.5	46937222.5	504.43	5.32
	Within Groups	8	744400	93050		
	Total	9	47681622.5			
No of loans & Asset Expenses	Between Groups	1	319084220.1	319084220.1	32.195	4.96
	Within Groups	10	99108350.83	9910835.083		
	Total	11	418192570.9			

Those who had borrowed five or more times spent 4,000 or 5,000 rupees more on consumer durables on average, taking other factors into account, than those who had taken fewer loans. Over the past decade, the households spent more money on housing than on emergencies and life cycle events. But our analysis suggests that several other factors are also influential

Hypothesis H4: Participation in micro-financial services leads to improved ability to cope with financial shocks in future.

Findings: Micro-entrepreneurship (ME) improves a client's ability to cope with financial crises, which are common in the environment in which micro-entrepreneurs live and work, but the evidence is not robust.

The urban working class population in our sample frequently experiences financial shocks of several kinds. These include deaths of family earners, theft loss, fire loss, flood loss, job loss, business failure, serious injury or illness, civil unrest, births, marriages, and other events that either interrupt normal income flows or necessitate extraordinary expenditures. There are various ways to classify risks: whether they are idiosyncratic or covariate; micro-meso, or macro; whether they are predictable or unpredictable; whether they arise from manmade or natural factors; and more.

In Round I of the survey, 70.9 per cent of respondents reported having experienced at least one significant financial shock during the past two years. One fifth of the sample had experienced two or more shocks during that period. The positive association between number of shocks experienced and borrower status could be explained by the fact that financial shocks constitute one important motivation for borrowing and earning. Respondents were asked to say which of the shocks that their household had experienced over the two years prior to the survey was most costly. Then they were asked how the household dealt financially with its most costly shock. Households can choose among several possible methods of coping with financial setbacks. They can reduce food consumption, work longer hours, put their children to work, borrow money, mortgage or sell assets, use savings, and so on. Multiple answers were permitted to the question of how they coped with their worst shock. To analyse household responses to financial shocks, we divided these strategies into two groups: those that involve the household in the loss of productive assets (known as Stage 2 strategies) and those that do not (Stage 1 strategies). They borrow from family and friends as well as from moneylenders, employers, and traders. They insure through informal, usually reciprocal, schemes, notably to cover costs associated with death ceremonies and marriages. The current risk management instruments of these households are clearly inadequate. No amount of borrowing on unfavourable terms or insuring through reciprocal systems can compensate for the lack of access to formal sources of insurance, mortgages, education loans, pensions, and more. As a result, many of the sample households remain in debt.

Hypothesis H5: Micro-entrepreneurship (ME) leads to greater influence over the household's economic decisions.

Findings: Three questions that were intended to measure control over household economic resources: What role did respondents play in deciding whether to take a loan, how best to use the loan's proceeds, and how to spend microenterprise profits? All three questions were relevant only to borrowers and to those who had microenterprises, borrowed for microenterprise purposes, and received additional profit as a result. In general, we found that the Micro-entrepreneurship (ME) in all three decisions was already high at the time of Round I and was not significantly altered by participation in micro financial services between the survey rounds.

a. **Decision to take the last loan:** Micro-entrepreneurship (ME) try to help its members increase their autonomy in matters of household finances and build a stronger personal financial base. Progress in this regard might be measured by the percentage of women who made a decision to borrow on their own, as opposed to borrowing at the behest of their husbands or others. Alternatively, one might regard the percentage who at least participated in the decision to borrow, making their decision either solely or jointly with a spouse or other family member, as the appropriate measure. Borrowers were asked who made this decision in the case of their last loan. They could answer that they did it themselves, that they did it jointly with a spouse or someone else, or that they took no part in the decision, leaving it to a spouse or someone else. To determine whether change had occurred between rounds of our survey, we looked at the responses of those borrowers who repaid their loans and borrowed again between Round I and Round II (N=160). In Round I, 33.3 per cent of these borrowers said that they themselves made the decision and 63.0 per cent reported that they made the decision jointly with someone else, usually a spouse. Thus, nearly all at least took some part in the decision although most made the decision jointly, usually with a spouse. In Round II, 29.9 per cent said that they had made the last borrowing decision on their own and 68.7 per cent reported having made the loan decision jointly with someone else. There was thus little change in the degree of respondents' participation between the two rounds.

Hypothesis H6: *Micro-entrepreneurship (ME) leads to enhanced perceptions of the importance of the respondent's contribution to the household and the respect received from other household members.*

Findings: *The survey posed two questions about the value of respondents' perceived economic contributions to the household, first as seen by themselves and second as they think other household members view them. Although the borrowers generally report more positive perceptions, the statistical tests do not attach any definite significance to this relationship.*

a. **Respondent's self-perception of the importance of her economic contribution to the household:** In Round I, 115 (71.875 per cent) borrowers stated that they made an important economic contribution to their households. The difference, however, was not significant statistically, and in the responses given in Round II of the survey. Intergroup differences narrowed in both the rounds of survey and the difference is not statistically significant. In Round II, 110 (68.75 per cent) borrowers said they made an important contribution. These Round II responses were not significantly different from those given in Round I. Although a higher percentage of borrowers consistently answered in the affirmative, none of the statistical tests performed provided a viable basis for asserting that participation in ULPs improves the clients' perceptions of the importance of their economic contributions to their households. The most important opinion collected was that the earning by the women folk lead to motivate the male counterpart to earn more.

b. **Perceived respect of other household members for the respondent's contribution:** A second test of the hypothesis involved asking respondents whether other household members respect them for the economic contributions that they make. In Round I, 92.6 per cent said yes. But the intergroup differences did not pass the ANOVA test. In Round II the percentage of positive answers rose to 95.6 percentage. Since all groups achieved the same increment between survey rounds, the gain score analysis showed no significant differences. ANOVA also revealed little statistical significance change.

7. SUMMARY OF FINDINGS

Substantial evidence was found that micro-entrepreneurship (ME) has impact at the household and individual levels of the urban women. The statistical tests suggest that use of the credit and savings of micro-entrepreneurship (ME) raises household income, both total and per capita. It may also favourably affect income diversification, expenditure on housing improvements, expenditure on consumer durables, and the ability to cope with financial shocks, but the evidence is mixed. Long-term micro-entrepreneurship (ME) through repeated borrowing has several positive impacts. Compared to one time borrowers, repeat borrowers enjoy greater increases in income, and spend more on household improvements and consumer durables. Changes at the individual client level may affect the activities, resources, and welfare of the client's household or the growth and stability of the client's enterprises.

8. SUGGESTIONS

Despite many shortcomings about the function, impact and sustainability of the micro-entrepreneurship programmes (MEPs) in urban areas of West Bengal, women entrepreneurs, have made a successful breakthrough in reaching the predefined objectives. It happened because of the easy availability of funds, appropriate market and close supervision. However, there is a long way to go. Thus, it is pertinent to further gear up the activities of the MEPs for the sake of poverty alleviation and also to deal with socio-economic issues of the urban areas. In order to improve the performance of the entrepreneurs, ULPs, microfinance institutions and microcredit for targeting the poor women in the urban areas of West Bengal, the following measures have been suggested:

1. Within the state socio-economic policy arena, specific target oriented ULPs for women entrepreneurship may be developed to provide some specialised impetus.
2. Developing the existing client groups to be self-reliant will be more emphasized and preferred over new group creation, unless the conditions warrant otherwise.
3. Need based initiative may be developed on marketing activities across specific trades and areas.
4. To undertake regional initiatives to augment the supply of key business development services (BDS) like standardisation of finished goods, customisation, low-cost technology development, financial services, designing, and management inputs.
5. To follow an appropriate and stringent framework for monitoring & evaluation.
6. Steps taken to increase public participation; and transparency in loan sanction, disbursement and other related financial activities to reduce corruption and biasness.
7. To make intellectual property rights accessible to all which will be appropriately defined, understandable by common man and strongly enforced.
8. To simplify the system of business permits and licenses and making them affordable.
9. Necessary steps may be taken for reforming the bureaucratic processes, simplifying procedures, increasing awareness and understandability; and strengthening enforcement capabilities.
10. Developing a mechanism which provides business-related supportive information for all concern.

It is evident there is no single solution to the challenges at hand for eliminate poverty and social exclusion of the poor masses in India. The development of entrepreneurship is not the only panacea to enhancing a sustainable livelihoods of the women, the most vulnerable among excluded. Various initiatives taken by the Government of India could prove to be useful for micro-entrepreneurship, capital formation, employment generation, enhanced savings, skills development, placements, asset building, enhanced life style, sheltered employment, microfinance, reservations and so on and so forth. This also depends on the resource availability and related aspects as long as these all promise better access and none or minimal barriers coupled with non-discriminatory and positive attitudes leading towards the creation of an inclusive society that will benefit not only the women but the society at large.

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