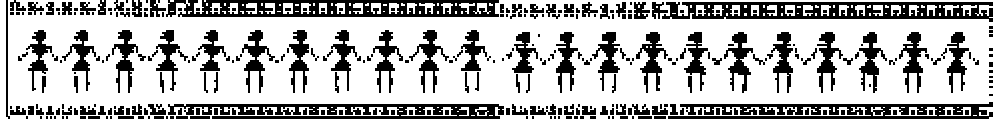


## Unit 4

### Types of Interventions to Enhance Women's Income and Productivity



#### General Objective

After studying this Unit, you should be able to help participants in your training session to identify possible interventions to increase productivity and income levels of producer women.

#### Specific Objectives

This Training Unit will help to enable trainees to:

- Identify issues which inhibit increased production;
- Identify intervention areas which facilitate production and increase income levels; and
- Identify individuals knowledgeable of interventions in areas other than the ones engaged in.

#### Planning

- Time** : Three hours.
- Training Methodology** : Participatory discussions, lecture, case study.
- Training Material** : Case study, chart papers, flip charts, markers.
- Trainers Preparation** : Listing out the issues emerging from work by producer women in various sectors on a chart paper.

Also listing the sector-wise interventions on a chart paper. This is only an indicative list and the trainer will need to add on to the list during participatory discussions.

#### Background Material

##### Introduction

The very low incomes of most informal sector women workers generally place them among the poor. Informal sector workers are generally found to earn far less than formal sector women workers. However, this is the scene in urban areas. In rural areas the low incomes have prevented many women workers from improving their livelihoods. Incomes are also influenced by the limited scope of activities. These activities are limited because they have:

- a small volume;
- low-margin;
- little scope for expansion;
- workers have limited skills and education.

Many women work at home both to supplement family income and to attend to household and childcare responsibilities. They work long hours, yet their incomes are below the poverty level. These women from marginal, small farm households and landless families are the most disadvantaged groups of women. The nature of constraints faced by women has highlighted the need for new approaches to address women's diverse needs. As self-taught entrepreneurs, many lack basic business skills. Many have access to credit only through informal lenders, who charge them very high interest.

The most important social innovation to help the poor in recent years has been the success of the thrift- and credit-based self help groups (SHGs), especially those formed by women. These groups have successfully developed a system of revolving credit for the benefit of group members based on their own savings. Linking of SHGs to formal financial institutions has further enhanced availability of microcredit financing to the groups. Expanding women's economic opportunities and increasing the income they control results in greater economic efficiency, improved child health and nutrition, and reduced poverty.

Low productivity leads to low incomes and low incomes are responsible for low productivity. Strategies for interventions to improve productivity levels will have to take into account the following conditions producer women find themselves in:

- Lack of Access to Resources;
- Lack of Assets;
- Lack of Skills;
  - Trade
  - Management
- Lack of Technology/Design Inputs;
- Lack of Inputs
  - Raw Materials
  - Machinery/Equipment

### **Issues Responsible for Low Productivity/Low Incomes of Producer Women**

At a Producer Women's Consultation organized by Udyogini, a Delhi-based organization working for building capacities of women engaged in microenterprise development, a number of issues were raised by women who had come from different States and were involved in sector-specific activities. Some of these issues surrounding microenterprises were the following:

- Producers have knowledge about the local market. However, knowledge as well as access to markets outside their villages is not available.

- Women producers lack sufficient capital for bulk purchases as well as sales. For example, women engaged in silk worm rearing could bulk purchase cocoons – which would be available at certain discounts too.
- Most income accrues from traditional activities such as making products from bamboo. However, profit margins are low as they sell only in local markets.
- Women NTFP collectors' profit margins in Madhya Pradesh and Orissa are also low. They sell at low prices, and, with no value additions.
- Contractors/middlemen exploit women producers. For example, in Rajasthan the papad makers lose some of their wages on the pretext of quality, or NTFP collectors do not get appropriate prices for their collections in Madhya Pradesh.
- Need for training felt by most women to develop their capacities.
- Women in agricultural activities from Bihar/Jharkhand and Orissa need access to new technologies, new seeds and new techniques.
- Women need training on design-related aspects in trades such as embroidery, mat making, Sal leaf plate making, bamboo products.
- Transport expenses waivers for women desirous of sending products to other places.

**The major issues in the low productivity of women** can be identified as follows:

1. Constantly changing markets.
2. Lack of adequate capital in all the trades.
3. Enhancement of skills in consonance with the markets. The matching of skill with market requirements is necessary.
4. The availability of appropriate machinery for value addition/processing
5. Maintenance of quality control standards.
6. Increase in volume of production
7. Introduction of management/accounting and book keeping practices.
8. Viability of products to be assessed.
9. Group formation to be strengthened for empowerment.

#### **What can be done?**

There is a great deal of potential for expanding activities and generating additional employment in the sector. It is difficult, if not impossible, to identify which individual enterprises are viable. But it is possible to identify the various sectors of economic activity which can generate more employment and contribute towards raising income levels of poor women.

To begin with, it may be pointed out that all departments of the Government give importance to women in all the fields. Specific schemes and policies have been formulated by the Government to promote women's entrepreneurship. Integration of women in economic activities makes the following suggestions:

1. Treat women as a specific target group in all development programmes.
2. Diversify vocational training facilities for women to suit their varied needs and skills.
3. Encourage appropriate technologies, equipment, and practice for reducing their drudgery and increasing their efficiency and productivity.
4. Provide marketing assistance.
5. Increase women's participation in decision-making.

The New Industrial Policy of the Government has stressed the need for conducting special entrepreneurship programmes for women with a view to develop women's entrepreneurship. The Industrial Policy Resolution of 1991 had highlighted the necessity to provide special training programmes to develop women's entrepreneurship. The Resolution further adds that the objective of such programmes is to increase the representation of women in the field of small industry development and to enhance their economic and social status.

Policy-makers acknowledge the value of improving productivity and incomes in the rural areas. Some microenterprises have the potential for growth and employment creation. Some other activities – some forms of street vending, for example – are usually jobs performed on an individual basis, with little potential for expansion.

However, based on the issues outlined above, some of the **sector-specific interventions** could be:

1. **Providing Access to Credit.** Women borrow money from relatives and friends to start or sustain businesses. Since commercial banks usually seek collateral before approving a loan, few women successfully borrow from them. In addition, commercial banks do not find it worth while to deal in the small sums of money typically involved. The women have been mobilizing significant savings from within through various types of self-help savings and credit schemes. The schemes promote group solidarity, helping ensure regular repayment of loans. Many of the small-scale lending schemes, however, cannot provide funds on an efficient and sustainable basis. What is required is an institutional mechanism that falls somewhere between a commercial lending organization and an NGO or a co-operative. In some groups small capital can be managed from SHG funds. However, large funding can be made available through bank linkages. Bringing bankers to management training programmes, linking to appropriate Government Schemes may help to some extent.
2. **Providing Access to Wider Markets.** Access to education, training and credit is of little use unless the market for products produced by women is broadened. As low-income families constitute the primary market and they are in competition with each other, the scope for expansion is limited.
3. **Building Sustainable Systems** to deliver services to small producers is a challenge. Sustainability is not only a problem for small producers, it also depends on social entrepreneurs' ability to deliver services to the producers over time (e.g., their ability to recover the cost of delivering needed financial and technical assistance). This is an area where learning is still occurring. While best practices are emerging, practitioners and social entrepreneurs alike still are working to fully understand the complexities associated with generating sustainable profits when serving the poor. Profits are a necessary condition for the success of an enterprise, and sustainable profits are crucial to the success of any long-term

development project. Sustainable profits go beyond economic measurements to focus first on those who will achieve social change – the individual clients and their communities – as well as the resources and market opportunities available to them.

4. **Provision of Management Training.** Awareness and knowledge of concepts like feasibility, value chain analysis, and business planning, financial management, carefully adapted to needs of grassroots producers and strengthening of enterprise counselling services could develop capabilities to manage their businesses more productively and efficiently. These may allow them to expand activities with the potential for higher incomes and increased productivity levels.
5. **Knowledge of Government Schemes** for acquiring loans and subsidies for purchasing capital equipment.
6. **Skill development.** This would involve:
  - i) **Quality issues** to be addressed through the training and/or exposure visits.
  - ii) **Technology** machines for value addition and finishing. Electricity and alternative fuel/energy sources.
  - iii) **Volume sales** moving from small to large. Concept of federation of women involved in the same trade for supply and for sale to distant markets (export market linkages, links to marketing agencies, wholesalers etc. and study of apex marketing agencies). This is also advantageous for advocacy and greater leverage with stake holders in that particular trade.

### ***Interventions for Sector-Specific Skills***

**Food Processing:** Most women producers in the rural areas are engaged in food processing of some kind. These activities include paddy dehusking, bari and papad making, turmeric powder making, dry fish processing, mixture preparation from groundnuts and murmura (processed rice), wheat processing, atta making, chips, preparation of pickles, jams, squashes and other items.

- **Interventions** include provision of quality standards and control, hygienic methods of preparation to increase shelf life and price of products. Training in preservation and use of appropriate and low cost technology, storage, packaging, branding and marketing support.

### **Leaf Plate making**

- **Interventions:** Introduction of appropriate machinery, drudgery reduction, access to markets.

### **Stitching, Tailoring and Embroidery**

- **Interventions:** Capacity-building of craftspersons in enterprise promotion, design support, marketing support, social security health insurance, calamity support, insurance against food security. Introduction of machines to increase productivity, piko machines (for seams) and interlocking machines to achieve better finishing and management training on requirements of inputs like quantity of raw material, working capital, distribution of work to group members, avoidance of wastage, quality control, time scheduling, accounting and calculating profit.

**Crafts** (rope making from Sabai grass, mats and bags from date palm leaves, bindi, making leather, cardboard boxes)

- **Interventions:** Access to designs, labeling, tagging markets, mechanization of the leather stitching process, training in cutting and designing; Developing linkages with the formal sector and technology; Marketing linkages.

**Agriculture or Land based activities** (kitchen gardening, crop plantation on small pieces of land)

- **Interventions:** Technical training and access to modern agricultural inputs such as high yield seeds, fertilizers, pesticides, availability of water, irrigation facilities, wells, water pumps, access to markets outside the village.

**Livestock** (goatery, poultry rearing, dairy)

- **Interventions:** Access to veterinary care, availability of cold stores, linkages with outside markets, possible value additions to products.

### **Forest-based Activities**

Collection of Minor Forest Produce, agarbatti making

- **Interventions:** Method/technology to process the NTFP, value additions, access to markets, elimination of middlemen, federation building.

### ***Interventions with Programme Focus***

- Develop programmes for rural women to build leadership skills for managing agriculture and community-based development activities;
- Develop economic and political literacy programmes for rural women to utilize development inputs effectively;
- Support women-managed rural production and marketing ventures in horticulture, floriculture and post-harvest processing in commodities; and
- Provide technology training and input support to women to take advantage of the emerging high-value agribusiness sector including bio-technology and forest products.

### ***Interventions with Policy Focus***

#### **Socio-Economic**

- There is a need to evolve a policy that takes into account the social and economic background of the target group.
- The young and married women with small families must get priority in enterprise training.
- In order to promote and develop functional entrepreneurship, there is a need to focus on low-income and uneducated women for training on business/venture start-up.

#### **Personality Related**

- The entrepreneurial capabilities and skills need to be harnessed in one direction. The enterprising women should be selected and trained.
- The trait of hard work is of primary importance in starting as well as

sustaining the enterprise. It is related with the attitudes of a person. It is, therefore, necessary to train them through interactive techniques.

### **Management Related**

- Women entrepreneurs should be imparted training in management for which special efforts should be made to include such programmes that can cover less educated and illiterate women.
- Training in technical expertise should be imparted to women entrepreneurs so as to enable them to diversify and succeed in the enterprise.

### **Support System Related**

- The support systems, which include government, private and non-government organizations, should reorient their approach towards holistic training of women entrepreneurs.

### **General**

- Encourage partnership/networking between senior and junior women in business. Organizations of women entrepreneurs should be promoted and encouraged.
- More surveys, studies, research and training are required to consolidate the database so as to plan and implement training programmes effectively.
- There is a need for monitoring and evaluation of the entrepreneurship programmes for women to ensure that empowerment through functional entrepreneurship is realized.
- Empowerment of women is not an immediate result of entrepreneurial activity as it is related with social and political forces. It is, therefore, necessary that women entrepreneurs maintain economic autonomy for a reasonably good time so as to enable them to make effective interventions in the decision-making process at individual, family and community levels.

### **Case Study**

#### **Paddy Dehusking in Orissa**

Generally producer women have little organized knowledge about the trade they are engaged in. Very little planning goes behind these micro enterprises. They have little information and written records and can remember only larger investments or loans taken. With assistance they are able to describe the gradual process of building their enterprise, but this lacks detailing. This, therefore, is not helpful in any analysis and discussions. At times, however, detailed questioning brings into focus issues they never considered important, and are now forced to think about them. These are issues of utilization of loans, scope of business, concerns for scale of operations.

Shushila, is one such producer woman who is engaged in the trade of paddy dehusking in a village in Orissa. She is the second generation in the family now continuing in the trade, but continues to have profit margins similar to the previous years. She is unable to figure out what is going wrong. She has heard from other women in a neighbouring village that this activity is a profitable business and has also seen one woman using a machine that runs on kerosene and boils the paddy in half the time that she spends. Her SHG members have approached a local trainer to assist them in understanding the whole process. With a little probing from a trainer, Shushila is able to break down the details of her activity.

<b>Breakdown of Activities</b>	<b>Time Spent</b>
1. Inquiring from neighboring villages about availability of paddy and the prevailing selling price of paddy	6 hours
2. Booking a bullock cart and the actual purchase of paddy after weighing it and bringing it to the village	12 hours
3. Storing paddy at the community centre, weighing the paddy again and distributing it equally among 5 members of the SHG	10 hours
4. Boiling paddy	30 hours
5. Drying paddy (drying takes 5 days but each of them has to spend only 2 hours per member to spread it out and keep watch).	10 hours
6. Weighing paddy after drying, dehusking	4.5 hours
7. Filling up paddy in gunny bags and packing	2 hours
8. Storing	0.25 hours
9. Selling in the village from individual homes and going to the market to sell excess	13 hours
10. Accounting for sales and distribution of returns	8.25 hours
<b>Total Time Spent</b>	<b>96 hours or 12 person days.</b>

Shushila now lists out the resources required as being: Raw material, packaging, utilities, machinery, transportation, promotion, salaries and interest on loans taken.

She and other members were attempting to save money to buy machinery or rent the machinery so that they do not have to boil the paddy using fuelwood. Not only was this time consuming as she had to first travel about three kilometres to procure fuelwood, but also because the quality of rice produced was not of a high standard.

The trainer assists in the identification of the resources required and its availability details. Shushila realized how much money was required and that nothing comes free. The idea was to attach a cost to every bit of resource like lantern, firewood, rent for community centre, etc. For Shushila this was a novel idea as she and others had never learned to attach costs to labour and were used to dividing the returns from the activity inclusive of the labour component.

The cost of the machinery was worked out and related to how it would lead to increased productivity. Translated in money terms, how much more would Shushila and her group members be able to earn?

Shushila was keen to learn the complete process. Very soon after the training she was able to acquire the machinery with a loan from the bank. Members of her SHG jointly put in money to hire the services of a bus that could bring the paddy from the neighbouring village. The quantities of paddy brought also increased.

Now Shushila and her SHG friends are marketing their rice in the town. The quality of their rice is so good that the demand in the town has increased. The shopkeeper to whom she sells the rice has labeled it as "Shushila's Rice". He now sends his own transportation to collect the rice from her village.



***Annexures: A Note***

The Annexures we have provided you give you an opportunity for further reading not only on micro-enterprises but also on small scale enterprises. They can also serve as additional background material/reference material. Use your originality to build them into your training sessions. The material has been adapted/adopted from the following IGNOU course materials:

- a) MS-93: Management of New and Small Enterprises Course  
Preparation Team: Prof. H.N. Pathak, Dr. K. Ramachandran, Mr. Vijay Jain, Dr. V.G. Patel, Mr. B.P. Murali, Prof. K.P. Kumar, Dr. D.D. Kaushik, Dr VSP Rao, Prof. Rakesh Khurana, Dr. Madhulika Kaushik, Mr. Upendra Gupta and Mr. Q. Haider.

Course Coordinator: Prof. Madhulika Kaushik

- b) CWPL - 03: Development Through Self Help Groups

Course Preparation: ACORD, Delhi

Course Coordinator: Prof. Prabha Chawla

**OVERCOMING CONSTRAINTS WOMEN FACE IN TRANSITION  
FROM SUBSISTENCE LEVEL ACTIVITIES****Contents**

1. Constraints Faced by Women's Economic Activities
2. Factors Affecting Women in Entrepreneurship
3. Facilitating Micro-Entrepreneurship amongst Women
  - 3.1 Who is a Facilitator?
  - 3.2 Role and Functions of a Facilitator in Entrepreneurship Development
4. Stages of an Enterprise
  - 4.1 Identification of opportunities
  - 4.2 Consolidation of resources
  - 4.3 Implementation of the idea
5. Components of an Enterprise
6. Types of Enterprises
  - 6.1 Classification based on Nature of Enterprise
    - 6.1.1 Production-based enterprises
    - 6.1.2 Trading-based enterprises
    - 6.1.3 Service-based enterprises

**1. Constraints Faced in Women's Economic Activities**

Success is very limited in strengthening women's economic activities because of several inherent forces in the economy which are very deep-rooted. These are mainly:

i) *Vested Interest to Exploit Women's Work Cheaply*

The vested interest in favour of the status quo is very powerful – big business and those who are presently deriving substantial incomes from the economic activities where women are in large numbers are able to do so because women's work is underpaid and unpaid. The present economics of the concerned occupations cannot be sustained if women start getting all the facilities and income due to them for the amount of work they put in. To struggle against such powerful vested interests is very difficult for poor women, but it is possible. It is a very slow and long process requiring great perseverance. That is why results are very fragmentary and small, and success is limited.

ii) *Women's Limited Skills and Exposure*

To earn good and sustained income directly from the economy through self-employment today requires institutional/organizational dealings and linkages. As the institutional infrastructure of the economy becomes more and more central in controlling the flow of money, it becomes necessary to acquire the competence for institutional transaction – whether it be with banks, financial institutions, insurance companies, government departments, public sector corporations, development corporations, other companies, trading and marketing corporations. All the planned development interventions are increasingly channelled through these

institutions. The majority of the women do not have the skills or experience, exposure to institutional transactions as individuals or as groups. They need representative organizations of their own to help them develop their competence in the organization-to-organization interface of business transactions. Very few such representative organizations of poor, self-employed women exist. Hence the limited success of women's economic activities.

iii) *Women's Incompetence in Formal Dealings*

The transformation of the economy to an institutional base has also made formal dealings central. Formal dealings depend on written transactions and poor women are largely illiterate. Poor women are not able to understand this transformation on their own and create a niche for themselves in the changing economic scenario. Hence the limited success of their efforts.

iv) *Insensitivity of Policy Makers*

The policy makers responsible for the transformation of the economy to an institutional base do not address the needs and reality of poor women directly. Institutional finance, for instance, is a good indicator of the sensitivity of the policy makers of women's economic activities. In spite of all the rhetoric about supporting women's economic activities, the flow of public funds to women's economic activities through institutional finance is very low. The transformation of the economy is strengthening those sectors of the economy where women are not engaged in large numbers. Contradictions in flow of funds make it very difficult for poor women's economic activities to survive against the flow of the economic tide.

v) *Erosion of Women's Economic Activities*

The activities per se, in which poor women are engaged are being destroyed, and replaced by other goods/services produced mechanically. Agriculture, handlooms, handicrafts, fisheries, sericulture, dairying, vending, are some of the sectors of the economy where women are in large numbers. The way work is being transformed here affects women the most critically. Hence it is very difficult for women to earn sustained income from such work opportunities.

vi) *Insufficient Collective Strength*

Women do not have sufficient collective strength as yet to lobby for protecting their interests and be able to divert the emerging economic opportunities in their favour. Hence the limited success of strengthening women's economic activities.

**Source:** Jumani, Usha Analysis of Institutional Funds Flow and Its Effect on Women's Work, National Commission of Self-Employed Women, Government of India, New Delhi.

## **2. Factors Affecting Women in Entrepreneurship**

Women face relatively more difficulties in becoming entrepreneurs. This is because of the social and cultural pressures put on them by the family, relatives and society. Therefore, it is a challenging task for the facilitator to help women to overcome social and cultural barriers and become enterprising. This task becomes even more difficult when we work with low-income communities especially poor women. The poor women cannot be pushed into taking up an

enterprise. The facilitator needs to assess as to how poor the woman is. She has to be at the subsistence level if she has to be motivated to become an entrepreneur. A family which cannot even manage two meals a day is most unlikely to come forward for entrepreneurship development. Therefore, the facilitator must be sensitive to the socio-economic situation of the women. In most cases, as a facilitator, you have to work with both women and their families. Unless and until the woman is herself ready to take the first step, no amount of family counselling will yield any result. Thus, once you see that the woman is showing interest and is willing to do something only then you should contact her family to counsel and convince them.

Before we move ahead it is very essential for you to understand in detail what discourages most women from taking that first step towards economic independence.

There are several factors which discourage women from becoming entrepreneurs. These are economic, social and personal:

a) **Economic**

- Lack of access to capital;
- Lack of assets in her name;
- No/low income which means no/low savings thus, poor capacity to invest.

b) **Social**

- Women are not seen as decision makers;
- Lack of family support for entrepreneurship;
- Women's primary role is seen as looking after the family;
- Lack of time for other work after attending to family needs;
- Lack of role models;
- Lack of other women's support; and
- Women are conditioned to be "good" rather than "successful".

c) **Personal**

- Low levels of education;
- Low exposure to business, hence less experience;
- Lack of training opportunities;
- Women have a strong fear of failure; and
- Women fear that success may lead to neglect of the family.

As a facilitator, you should be able to help women to understand these factors and guide them to work on the factors that are in their control. You should also arrange for the related support services that are needed to overcome these discouraging factors.

As a facilitator it is important to realize that it is not difficult for women to acquire desirable characteristics or learn the skills required to be an entrepreneur. However, this requires intensive training in:

- Management;
- Organization;
- Catering to different consumer preferences;
- Management of human relationships;
- Management with limited resources; and
- High level of responsibility and commitment.

**Questions for Discussion**

1) State the three types of factors which hinder entrepreneurship in women.

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2) Give three factors of each type:

i) Economic

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ii) Social

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iii) Personal

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**3. Facilitating Micro-Entrepreneurship Amongst Women**

Encouraging women, especially rural women and developing them into successful entrepreneurs calls for understanding and hard work. It calls for training of women on how to run a business, and providing a satisfactory support system which can help them in credit, marketing and other related activities.

The facilitator has an important role to play in entrepreneurship development for rural women. He or she needs to;

- build women's confidence,
- motivate them to start an enterprise, and
- act as a friend, philosopher and guide.

The facilitator should, therefore, possess the requisite qualities and make her/him effective. It is not necessary that the facilitator should have all the knowledge needed to provide training or other forms of support. What he or she needs to know is where such expertise and support are available, and how to link the women with the support system.

### *3.1 Who is a Facilitator?*

Typically, the facilitator:

- would be working with an NGO or other agencies,
- would be working with women in any form,
- may or may not be a grassroots level worker, and
- may not necessarily have previous business training.

In addition, the facilitation process is also carried out, from time to time, by other personnel of the NGOs, and officials of the different development agencies such as Government, financial institutions including rural banks, individual consultants interested in development work, associations of entrepreneurs, trade and professional organizations etc. As such all those involved in the process of facilitation are considered as "Facilitators". For our purpose, a facilitator is a person with a fair amount of experience of working with poor women, preferably on income generation activities and savings and credit group development.

#### **Some Do's and Don'ts for the Facilitator**

- As a facilitator, you must be willing to learn from experience and change with the times. You should be open and responsive in your relationship with the clients.
- As a facilitator, you should first have an entrepreneurial approach i.e. you must learn how to market the concept of entrepreneurship, how to develop women into customers for your produce (i.e. entrepreneurship), and provide the necessary service to ensure satisfied customers.
- It must be kept in mind that the facilitation process does not end with the woman being prepared to start and run an enterprise. Once she starts, there would often be teething problems that may leave her feeling disheartened. It is at this time that the facilitator is most required, to provide support, help her in getting back her confidence, and if necessary in solving her problem.
- It must also be remembered that as a facilitator you are leading the entrepreneur, but are working along, "hand-holding", and just being there when needed. Keep in mind the boundaries of your role as a facilitator.
- Last but not the least, keep in touch with the entrepreneurs and see how, over a period of time, they have shaped their own business. They could be excellent resource persons after a point of time.

*3.2 Role and Functions of a Facilitator in Entrepreneurship Development*

Care must be taken to see that the facilitator is aware of which role to play and when.

A facilitator performs a very important role in developing women into entrepreneurs. In this regard, it is necessary, that she/he knows as much about her/his role as possible. This knowledge will help her/him become an expert in her/his field.

The facilitator needs to play different roles at different times. The various roles played by the facilitator and the related functions are listed later. Before we take up the roles and functions, it is important to state the difference between role and function. Role is the position given to a person. The activities carried out in that role/position are called functions. For example, Meena is an Anganwadi worker. In this position, she may play more than one role. She may be a Teacher, Counsellor, Community worker. In order to perform each role, she carries out a specific set of activities. In the box below other roles and functions of a facilitator are listed:

<b>Role of a Facilitator</b>	<b>Functions of a Facilitator</b>
<b>Information provider</b>	<ul style="list-style-type: none"> <li>● Information regarding available technology</li> <li>● Information about existing support systems</li> <li>● Information with respect to inputs</li> <li>● Information with respect to credit availability</li> </ul>
<b>Motivator</b>	<ul style="list-style-type: none"> <li>● Creating an awareness in the entrepreneur about herself and building confidence</li> <li>● Developing entrepreneurial competence</li> </ul>
<b>Counsellor</b>	<ul style="list-style-type: none"> <li>● Listening to problems and issues faced by women entrepreneurs</li> <li>● Analysing the problems and suggesting possible options</li> <li>● Helping to resolve conflicts</li> </ul>
<b>Link Worker</b>	<ul style="list-style-type: none"> <li>● Interfacing between entrepreneur and support systems</li> <li>● Networking with concerned agencies and individuals to provide necessary support</li> </ul>
<b>Guide</b>	<ul style="list-style-type: none"> <li>● Assisting the entrepreneurs in obtaining necessary support</li> <li>● Helping in all aspects</li> </ul>
<b>Trouble shooter</b>	<ul style="list-style-type: none"> <li>● Understanding problems faced by entrepreneurs</li> <li>● Helping in solving specific problems</li> </ul>
<b>Organizer</b>	<ul style="list-style-type: none"> <li>● Organizing an enterprise (group or cluster)</li> <li>● Creating an entrepreneurs' forum.</li> </ul>

### Questions for Discussion

1) Who is a facilitator? Who can become facilitators?

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2) What are the various roles played by a facilitator?

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### Box 1: Enterprise, Entrepreneurship and Development

#### ***Meaning of the word 'enterprise'***

An enterprise (or a business) is an undertaking engaged in production and delivery of goods and services in return for a profit. The enterprise is the medium through which an entrepreneur works.

Small enterprises have always existed in all the countries irrespective of their levels of development. Even in the advanced nations like USA, UK, West Germany and Japan a great majority of the enterprises are in the small-scale sector. Small enterprises function as a nursery of entrepreneurial and managerial talent. All the big industries worldwide started as very small enterprises.

#### ***Meaning of the word 'entrepreneur'***

The spirit of enterprise makes a person an entrepreneur. Thus, entrepreneurs are persons who initiate, organize, manage and control the affairs of a business unit that **continue** the factors of production to supply goods and services, whether the business pertains to agriculture, industry, trade or profession.

Agriculture or industrial development is brought about by entrepreneurship. The development or under-development of any society is the reflection of the development or under-development of entrepreneurship in society.

#### ***What are the contributions of entrepreneurship?***

Effectiveness of small enterprises depends upon the entrepreneurial and managerial capabilities of those involved in the business. Because of its size and unique operating characteristics, a small enterprise requires a managerial approach which is also unique. Small enterprises are generally managed in a personalized fashion. The owner is also the manager until the firm grows to a certain level. She participates in all aspects of managing the business and there is generally no sharing in the decision-making process. As far as scope and scale of operations is concerned small



enterprises usually serve a local or regional market rather than a national or international market. They also tend to have a very limited share of a given market. The entrepreneurship spirit, as described by recent studies and experiences on the subject, involves not only a desire to make money but also mixes a high need for achievement and all the motivations evident in a high achiever. Long-term involvement with a goal which the entrepreneur has set for herself creates the need to persist with the undertaking even in the face of difficulties and hardships.

Since the entrepreneur is starting from scratch, she must keep in mind all the factors involved and take calculated risks based on this knowledge. A tendency to analyze the environment on an ongoing basis holds the entrepreneur in good stead. She must also be positive and optimistic as there is no one to depend on but herself in times of doubt and uncertainty.

Management and entrepreneurial spirit must, therefore, be blended in the small enterprise owner's total make-up as these will spell the difference between success and failure. The ideal would be to find a woman who is both efficient and effective. Without the latter capability a woman must simply be a good manager. She still has to be developed into an effective manager by inculcating in her the entrepreneurial spirit.

### **Advantages of Local Entrepreneurs**

#### ***Wide Ranging Contribution***

There is a wide range of significant contributions that entrepreneurs and entrepreneurship can make to the development process. These include the following:

- 1) Entrepreneurship raises productivity through technical and other forms of innovation.
- 2) Entrepreneurship creates new jobs.
- 3) Entrepreneurship facilitates the transfer of new technology.
- 4) Entrepreneurs play a strategic role in providing of commercial outlet for new inventions and products by producing and marketing them.
- 5) Entrepreneurs play a critical role in commercializing new inventions and products.
- 6) Entrepreneurs help increase the flexibility of established social institutions and help to redistribute economic power more evenly.
- 7) Entrepreneurship and entrepreneurial behaviour can breathe vitality into the life of large corporations and governmental enterprises.
- 8) Entrepreneurs make markets more competitive.
- 9) Entrepreneurs stimulate a redistribution of wealth, income and political power within societies in ways that are economically positive and without being politically disruptive.
- 10) Entrepreneurs improve the social welfare of a country by harnessing dormant, previously overlooked talent.
- 11) Entrepreneurs create new markets and facilitate expansion into international markets.

### ***Cost-Effective Strategy***

The unique feature of entrepreneurship is that it is a low cost strategy of economic development, job creation and technical innovation. Other agents of change may accomplish the same ends, but not as cost effectively as entrepreneurs. And this is accomplished by setting up enterprises, initially on a small scale. Entrepreneurs are individuals who bear the costs and risks of launching a new venture, developing a new market. Even when they receive governmental assistance through subsidized training or low-interest loans, they add considerably more value through their own labour and effort.

As people who take risks, entrepreneurs either succeed and make a developmental contribution or they fail and disappear from the market place. The market within which the entrepreneurs operate has little tolerance for miscalculations about a business opportunity or a lack of commitment or laziness, or for incompetence. Entrepreneurs find resources and fill market gaps that would be missed by the larger, more bureaucratic organizations. Entrepreneurs allow a country to extract every last bit of marginal capacity out of whatever resources exist within society.

### ***Real Business Opportunities***

According to the Entrepreneurial Development Institute of India, the two main ingredients in case of a real business opportunity are:

- Good business scope i.e., a gap between present supply and current or expected demand; and
- An attractive rate of return on investment.

Apart from these two criteria, business opportunity has to be analyzed from a few more new standpoints:

- Technical/production viability;
- Commercial/Managerial viability;
- Availability of raw materials;
- Human power needs;
- Power requirements;
- Effluents/Pollution problem; and
- Vocational considerations/constraints.

Entrepreneurs and their families put lot of pressure on themselves in a way that people cannot expect from large-scale organizations. This benefits society in two ways — first by extracting extra effort from people and second by avoiding the disruption and instability caused by conflict between workers and the management.

Finally, local entrepreneurs offer a cost-effective strategy of development because they are an integral part of their community. Unlike foreign firms or plan relocations from another region or province, small scale entrepreneurial firms are home grown, and available evidence shows that they remain in their community. Tax holidays and subsidies to attract plant relocations whether on a domestic or international basis are far more expensive than cultivating local entrepreneurs, and it is dubious whether the results are real or lasting.

**Activity**

Contact two or three small enterprises which are family enterprises. What is the role of women in such enterprises? Discuss the adjustments that members have personally made in order to make the enterprise more cost effective. Given a formal organizational set up, do you think people will be willing to make similar adjustments?

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Here is an example of an enterprise:

Laxmi lives in village Ramnagar. She and her husband Naresh work as farmers. Their village produces some of the best lemons of the area. Laxmi and Naresh also have several lemon trees on their half acre field. These are taken to the local haat (village market) for the weekly sale. But they get very low prices for their lemons.

Laxmi used to wonder what could be done to get a better price for her lemons. She and Naresh thought of selling lemons in the nearby town but the transport cost was more than the increased price they might get. One day Laxmi was making lemon pickle for the house. She got an idea – why not start making lemon pickle for selling in the market? This might get her more profit than just selling lemons. She requested Naresh to get details of how they could start a business for making pickles. Naresh thought that this was not a serious idea and did not bother to do anything at that time.

But the idea of making pickles had got firmly into Laxmi's head. On her own she went ahead, invested a part of the money she had saved and started making lemon pickles for sale. Initially, she was cautious and made small lots, as she was not sure of the market. She soon found that she could not sell the pickle in the village haat and therefore needed to find another market. When she went to the nearby town and talked to the shopkeepers there, she found that the price they were willing to pay was below her expectations, and that she would not make a profit at that price.

Laxmi, at first, was not sure what she should do. She went to the Aanganwadi in her village and asked the aanganwadi supervisor Sharmeela, in whom she had faith. Sharmeela thought about the problem and told Laxmi that the only thing to do was to make the kind of pickle which costs less, yet allowed her to make a profit.

Laxmi felt this was a reasonable point and experimented with different types of pickles, with oil and without oil, cheaper variety of lemons, etc., until she was able to make a product that could be sold at the right price, and which she felt would suit the customer's taste as well. With this product she once again went to the town, talked to a number of shopkeepers and finally found one who would stock her pickles.

Laxmi got some orders at first, but found that shopkeepers were not willing to buy again. When she asked what the problem was, she found out that the quality of the pickles was poor, and the pickle got spoilt soon. Once again, it was Sharmeela who suggested that Laxmi could approach the Food Preservation Centre located in another town, for information. Laxmi contacted the Centre. She was given a demonstration on the different scientific methods of making pickles and the preservation techniques. This enabled her to make better quality pickles and at a lower price.

#### **4. Stages of an Enterprise**

Laxmi's story help us to identify the stages and components of an enterprise.

Any enterprise normally goes through the following three stages:

- Identification of opportunities;
- Consolidation of resources; and
- Implementation of the idea.

##### *4.1 Identification of opportunities*

The first step in any enterprise is the identification and selection of an idea. An individual may have several ideas for starting an enterprise. But, before finalizing the enterprise, the person must ask herself the following questions:

- Is there a demand for the product or service that I am thinking about?
- Are there enough buyers locally – locally means within the village/colony, etc.?
- Do I have the required skill to start and run the enterprise?
- How much will I get for providing my product or service?
- Will it give me sufficient profits?

Remember, how Laxmi decided to start pickle making? She knew that there was a demand for lemon pickles. There was a market for lemon pickles near her village. Thus, she knew that selling the pickle would not be a problem. She also had the required skill to make pickles. She also realized that she would definitely earn more by selling lemon pickles than by selling lemons.

##### *4.2 Consolidation of Resources*

After finalizing the idea of an enterprise, the second stage is to put together all the resources that are required to start the enterprise. Try and make a list of the resources. Now, look at the following list and see what all you need to include in your list:

- Money;
- Raw material;
- Place;
- Machinery and equipment;
- Technology; and
- Persons.

To start an enterprise, the person has to arrange all the above listed resources. For example, Laxmi needed money (a) to buy the bottles, spices, oil, etc. to

make the pickle (b) to go to the market to sell the pickle. She needed raw material i.e. lemons (she did not have to spent money on this as the lemons were available free of cost from her own fields). She did not require any machinery. But she required equipment i.e. utensils, cutlery, for making the pickle. She had some of the equipment at home so she did not have to purchase much. She made the pickles at home, therefore she did not have to spend on the place for running her enterprise. She made the pickles herself so she didn't need any labour or persons to help with her enterprise.

From Laxmi's case one should not conclude that all enterprises will require these resources. Different enterprises require different resources. This depends upon the kind of enterprise. Therefore, before an entrepreneur starts to arrange the resources, he/she should first list all the resources required for his/her enterprise.

#### *4.3 Implementation of the idea*

This is the last stage of the enterprise. At this stage the enterprise has started. That means the idea is now being put into action. By this stage, the entrepreneur has arranged all the resources. For example, Laxmi begins to make pickles. She then takes these to the market for selling. The money that she gets on selling the pickle is used to buy more raw materials. More pickle is made and sold. Now, Laxmi's enterprise is running.

It may be noted that in any enterprise all the stages keep repeating. As the work expands, additional or new resources may be needed. Thus, these have to be arranged. The entrepreneur may decide to diversify or shift her enterprise. This is done when she sees new and better opportunities. For example, Laxmi may decide to start lemon squash or sell concentrated lime juice. Thus, her enterprise can expand and diversify. Thus, over a period of time, any enterprise keeps moving from one stage to another in a circular form.

### **5. Components of an Enterprise**

Every enterprise has several components. For the sake of convenience, these have been clubbed into four categories. These are:

#### **i) Economic**

The economic component i.e. money-related component includes the following:

*Return on Investment* : Laxmi felt that it was important to be able to make that type of pickle, which could cost her less and allowed her to make profit besides suiting the customer's needs. Any enterprise is thus started or run not only with profit motives, but also for quantum of profit.

*Cost for Everything* : In business, each and everything has a cost. Laxmi had to calculate the amount of time and money she was spending on the raw material, packaging, visiting shopkeepers etc.

*Calculated Risk* : If Laxmi had not been cautious initially and instead she had made a large amount of pickle before being sure of the demand for her product in the market, the loss may have been more than it was in her first attempt. Therefore, entrepreneurs always take calculated risks to minimize the loss in business.

*Cycling of Cash* : Laxmi can invest only small amounts of cash initially. Once the pickles are provided to the shopkeepers the running of the business depends very much on the timely receipt of money. This money has to be recycled for purchase of raw material and to meet other expenses of the business.

*Growth Oriented* : Over a period of time, Laxmi will naturally look for increasing profits. She may have started with a small quantity of pickles. But if she has to work towards increasing or expanding her business she has to constantly re-invest her profits in the business, access more credit and increase her customer base. This will help her to promote the growth of the enterprise.

## ii) **Timing**

The start of an enterprise has to be very well-timed. This means taking advantage of the opportunity. Laxmi's decision to start the pickle making enterprise was very well timed. She took advantage of the opportunity because no one in her area was making lemon pickle. Once the enterprise is started, all the activities have also to be well-timed, e.g. the purchasing and storing of the raw material when it is the least expensive; the selling of the product at a time when it will fetch the maximum price etc.

## iii) **Managerial**

In order to run an enterprise successfully the entrepreneur must be able to plan well, and work in an organized manner. She must be a hard worker and be able to control the enterprise. Let us look at each of these separately.

*Planning* : An entrepreneur needs to be aware of what she can do in case of any contingency and how she will fare in future if she wants to sustain and expand the business. Laxmi did just that.

*Organized Working* : Despite the initial resistance from the shopkeepers, she continued to check with the shopkeepers, explore other markets, experiment with new pickles from time to time in a systematic manner and develop skills in preparation of good quality pickles.

*Hard/Smart Working* : Laxmi not only worked hard, but she also did smart work by contacting the Centre and learning how to make better quality pickles using scientific methods and preservation techniques.

*Controlling* : Laxmi also needed to control various factors which affect business such as getting oil at the right time, meeting orders on time, ensuring that she is able to make the pickles of the desired quality etc.

## iv) **Innovation**

The entrepreneur has to continuously experiment with new ideas to be able to run the enterprise well. For example, Laxmi tried out various combinations of pickles. Some with oil, some without oil, with different quality of spices and in various types of packaging. She continued doing this till she was able to produce the right type of pickle which was of good quality, and which the shopkeepers accepted.

**Questions for Discussion**

1) What is an enterprise? Give three examples.

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2) What are the stages of an enterprise?

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3) Which resources are needed to start an enterprise?

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4) What are the components of an enterprise?

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5) Why did Laxmi decide on pickle making as an enterprise for herself?

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6) Was Laxmi innovative? If yes, give reasons.  
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## **6. Types of Enterprises**

You have, by now, learnt about the meaning of enterprise and how macro-enterprise is different from micro-enterprise. If you are asked to list some micro-enterprises in which women can be involved, what would these be? Probably papad making, tailoring, weaving daris, shoe making and so on.

Well, you are along the right track. Yet, did you realize that you are thinking only about enterprises which require manufacturing work?

We often tend to limit our understanding of micro-enterprises to micro-enterprises related to production. However, there are many types of micro-enterprises which broadly fall in three categories namely: Production-based enterprises, trading-based enterprises, service-based enterprises.

### *6.1 Classification based on Nature of Enterprise*

Let us discuss each type of enterprise.

#### **Production-based Enterprises**

Production based enterprises are those in which a product/commodity is produced. Selling this product brings profits. For example, papad making, dari making, hand-fan making, bindi making, soap making, candle making etc.

The women who decide to start a production-based enterprise must be made to understand the following aspects:

- If a woman has any production based skill, she can start the enterprise. She can even learn to improve the skill or learn a totally new skill. For example, Laxmi already knew the skill of pickle making. Yet she needed to learn new methods of preparing pickles which had longer shelf-life.
- Just learning a skill does not ensure that a woman's enterprise will do well. Learning a production skill can make her a good producer but not a good sales person or a manager. For example Laxmi could make a good product but she also needed the art to sell it and recover her money. Therefore, she had to learn the skill of negotiating and selling i.e. how to market, to whom to market and at what rates. For example, Laxmi decided that she would sell her pickle in the nearby town. She kept visiting new shops with her improved quality of pickle.
- Be ready to invest. Investment will be required for purchasing raw material, machinery, packaging materials, marketing, etc.



- Know the need of the customers and make improvements in the product accordingly. For example, Laxmi had to add to preservatives in the pickle because customers wanted pickle that could last longer.
- Learn how the market works – what kind of competition one is likely to face and take steps in advance to minimize any eventuality. For example, in pickle making, Laxmi needed to stock lemons when these were available at cheap rates and she had to make pickle at a time when her production costs were minimum.
- Know what quantity and quality of product should be manufactured in order to get good profits.
- Agriculture is also a production-related enterprise. With proper knowledge of improved agricultural practices and management skills, one can increase income from the agriculture-based activity. For example, Suman took a small loan to buy improved seeds of pumpkins. She got a bumper crop. She earned good profits. She also saved some seeds for the next crop. She re-invested part of her profit in buying good quality seeds for another crop.
- It may be noted that one can also become an entrepreneur by setting up an agro-based micro-enterprise. This is possible in case some item is available in bulk locally e.g. paddy, neem, groundnut, chillies, mustard etc. The related enterprises could be paddy de-husking, groundnut shelling, oil expeller etc. These kinds of operations can be started with relatively less investment.

### **Trading-based Enterprise**

Trading-based enterprises are those which primarily involve buying and selling a product/commodity. For example vegetable selling, provision store, cloth selling etc.

Women who decide to start trade-related enterprises must be helped to understand the following:

- Identify items which are not available locally and have a good demand.
- Sale of items which will get more profits.
- Locate places where the goods/items can be purchased at cheapest rates and where these can be sold at highest rates.
- Avoid malpractices in trading such as faulty measurements and adulteration which can give only short-term gains.
- What are the customer's needs in terms of seasons and festivals? For example, groundnut selling during winters and then cucumber selling during summers, selling 'Rakhis' during the 'Raksha Bandhan' festival and crackers, candles etc. during 'Diwali'.
- Importance of developing good customer relations which ensures long-term/permanent customers.

### **Service-based Enterprise**

Service-based enterprises are those in which skilled services are offered to the customer to earn profit. For example, beauty parlour, typist, masonry, cycle repairing, tent-house making, payment of bills etc.

If women decide to start a service-based enterprise, they must be helped to understand the following:

- Several service-based enterprises are skill-based. If the woman does not have the skill, she can learn it. In case she is skilled, it could be further improved.
- Continuously work to satisfy the customer.
- Provide a good service at competitive rates.

Studies have shown that there are several emerging areas in the micro-enterprise sector. These are oil-seeds processing, herbal products, fruit and vegetable processing, meat and fish processing, stone quarrying and polishing, ceramics and cement ware, construction material, repairs, agro-services, rural tourism and business services.

**Questions for Discussion**

1) Based on the activity, how many types of enterprises are there? Give three examples of each type.

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2) Give a few examples of agro-based enterprises.

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1) State the type of enterprise for each of the following examples.

- i) A women's group weaves carpets and durries .....
- ii) Usha has a whole-sale shop of carpets .....
- iii) Mahima drycleans carpets .....

**Macro-Enterprise and Micro-Enterprise**

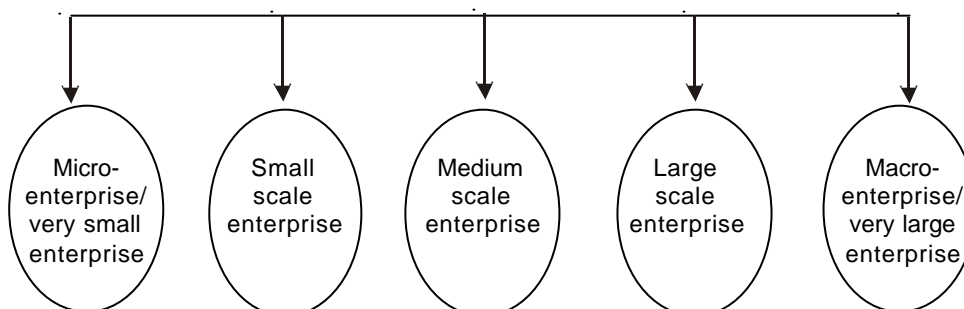
The prefixes "macro" and "micro" come from the Greek words "large" and "small" respectively. The essential components and stages of both macro and micro enterprises are similar. Yet it is very important for us to learn to differentiate between macro and micro-enterprises at this stage before we actually go about understanding micro-enterprises in more detail.

S.No.	Micro-enterprise	Macro-enterprise
1.	Requires small amount of money to begin the enterprise. Laxmi could start lemon making with as less as Rs. 500/- or 1000/-.	Requires large sums of money to be invested in the beginning.
2.	Process for obtaining credit is short and simple and mostly from informal sources like own funds, also from banks through the groups.	Process for obtaining credit for macro-enterprises is usually long and complex and sometimes requires mortgaging assets. Credit is obtained from formal institutions like banks etc.
3.	Usually a one person enterprise or a small group takes up the enterprise jointly.	Requires several persons with varying skills at different levels to run the enterprise.
4.	Lower risks are involved.	Higher risks are involved.

However, it may be noted that any micro-enterprise has the potential to turn into a macro-enterprise as it grows with time but only if managed well.

Micro and macro are the two ends of enterprise sizes. Depending upon the size of the enterprise, there are three more enterprises between micro and macro enterprises. See the diagram given here.

**Sizes of Enterprises**



To clearly understand these five types of enterprises based on their size, let us read the following examples:

- a) Let us imagine the first stage. Laxmi is making jam and pickle at home herself. This is a micro-enterprise. She is making only a few bottles and selling them. This is a very small enterprise.
- b) Now let us imagine the next stage. Laxmi has started getting many orders. She cannot manage all the work herself. So, she decides to train three women in pickle-making. She now employs these three woman to make pickles, one man to get orders and deliver the pickles, and one woman to keep her accounts. Laxmi is now managing the enterprise. Her enterprise has thus become a small-scale enterprise.
- c) Let us visualize the next stage. Laxmi's work has further expanded. She has now taken a separate place which has 3-4 rooms. She has now 25 employees. Her enterprise is medium scale now.
- d) In this stage she has bought some machines to increase the production. Her enterprise is now mechanized. She has now bought an auto rickshaw

to deliver her pickle to the markets. She has taken a loan from the bank. Laxmi's enterprise has now moved on to become a large-scale enterprise.

- e) Then think of other enterprises. You must have heard of 'Maggi' and 'Kissan' sauce. Well. These are examples of very large macro-enterprises.

### **Benefits of Micro-enterprises**

There are several benefits of promoting the micro-enterprise sector. These include:

- Increased employment opportunities;
- Increased income;
- Building up the skill base of the rural population;
- Lower capital intensity;
- Lower commercial energy requirement; and
- Lower use of imported inputs including petroleum products.

In fact it has now become clear to the policy makers that local, small and medium enterprises can play a major role in generating jobs. To meet these needs and to create a multiplier effect of enhanced local employment, earning, and capital formation, many government agencies, banks and industrial development organizations are now involved in the task of Entrepreneurship Development.

#### **Questions for Discussion**

- 1) Give the two main types of enterprises based on their size.
- 2) Indicate whether the following enterprises are micro-enterprise, small-scale, medium-scale or macro-enterprises:
  - i) A person selling vegetables in a street .....
  - ii) A sugar factory .....
  - iii) A flour-mill ('Atta chakki') .....
  - iv) A general store in a village .....
  - v) Bata Shoe company .....
  - vi) A cobbler .....
  - vii) Commercially available popular soft drink .....
  - viii) Furniture workshop .....

## UNDERSTANDING INDIVIDUAL AND GROUP ENTERPRISES

### Contents

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  - 3.3 Developing a Positive Self Image
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### 1. Preparedness to Take Up Micro-Enterprises

One of the most important things that a woman needs in order to be successful as an entrepreneur is to become empowered. In simple terms, empowerment in this context means that women will be able to:

- Overcome shyness;
- Talk and act confidently;
- Identify and accept her capabilities and limitations;
- Break through barriers;
- Know her desires and convert these into objectives;
- Know that she can acquire the abilities needed; and
- Develop a strong will to achieve objectives.

You might feel that once a woman takes up an enterprise it will help her to become empowered. Well, it is a chicken and an egg story. While it is true that becoming a successful entrepreneur empowers women, it is also important that women show some signs of empowerment to be able to successfully run her enterprise. The following example about Rani and Leela will help you to understand this better.

Leela and Rani took-up 'bindi-making' after they were trained by a local NGO. Leela made good bindis and had many satisfied customers. She earned well. She was very disciplined. She would take out at least four to five hours every day for her work, despite the fact that she had a big family. She was able to convince her family to let her work. She did not feel shy of taking help from the facilitator and her husband. Leela was illiterate. She realized that illiteracy was her limiting factor and took up functional literacy with the help of her daughter.

On the other hand, Rani was not able to get enough time to make bindis. She had given this work the last priority. Even though she had a small family, she could not take out time for her work. She was educated upto the primary level. She was very shy of taking her material (bindis) to the local shops and to even take help from others. As a result, she could hardly get any orders. She could not even earn enough to get back the money she had invested in the business.

Now, if we compare the above given cases you can identify the factors which led to Leela's success and Rani's failure. Leela seemed relatively more empowered. She was more confident, had overcome shyness, had a strong will, was able to organize herself to accommodate her work and had broken the traditional barriers. Whereas, Rani could not acknowledge her strengths of having a small family to look after and her education which would have benefited her in her enterprise. Leela could do this because she wanted to do so and had developed the will and courage to do it. Whereas Rani wanted to do but had yet not developed her will and courage to do so. Thus, Leela was relatively more empowered than Rani. This helped Leela to become a successful entrepreneur. As her business grew, she gained better status and income which further led to Leela's empowerment. To summarize the above statements we can say:

I WANT TO DO (MOTIVATION)	+ I CAN DO (ENABLING)	= I WILL DO (EMPOWERMENT)
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### Questions for Discussion

- 1) Fill in the right words to indicate that Sheela is an empowered woman.
  - i) She knows her .....
  - ii) She knows and accepts her.....and .....
  - iii) She can talk and act .....
  - iv) She can .....through barriers.
- 2) Complete the following boxes:-  
I WILL DO = ..... + .....

## 2. Motivation And Entrepreneurship

Let us now learn about motivation. Setting up an enterprise needs a very high degree of motivation. So if the woman is not highly motivated, the chances are that she may not be successful in her business.

Anything that a person does is to fulfill/satisfy some need or want. For example you may be undertaking this course because you want to do well at your job.

## 3. Enabling for Entrepreneurship

Let us first explore the meaning and importance of enabling for entrepreneurship.

### 3.1 Meaning of the Word 'Enabling'

As mentioned earlier, when a person says, "I can do", it indicates a sense of enabling. Thus, **enabling is the process by which the woman not only gains certain abilities, but also gains the confidence that she is indeed capable and can learn all the other abilities needed for entrepreneurship, which she has yet not acquired.**

As part of the enabling process, it is very important that women are aware of the various blocks or barriers which stop or discourage them from progressing. Identifying and understanding the blocks are important elements in breaking blocks and barriers. Experience sharing by women entrepreneurs have helped many women in understanding the barriers in their situation and also in understanding their potential. Overcoming these barriers form the threshold to empowerment which the women do not want to or are afraid to cross. Very often, women fear crossing the threshold as it means moving from a known area to an unknown area. Most women think that they are comfortable where they are, not because they are really content, but because they fear the consequences of the unknown.

### 3.2 Developing Self-Confidence

The important thing you must note is that at this stage, the woman knows something and she also knows that she can learn the rest. Women's confidence in herself and her abilities is a big starting point. This provides her with the energy to focus her motivation and transform it into action.

Therefore, before women take the first step to start an enterprise, it is important to given them time to build their confidence. The process of confidence building in women involves their looking at themselves as individuals and understanding their potential. For this, women should be asked to answer the question "Who am I"? The facilitator needs to help and guide the women to develop a knowledge of herself as "an independent identity". This awareness of self as an independent person is the confidence building process. We can illustrate this by giving an example of Rani.

Rani always says that she is the mother or wife of so and so.

It is when Rani starts to realize that she is 'Rani' that the first stage of learning about one's own self begins.

The process of learning about self or looking inward helps Rani to breakdown earlier ideas about herself. At this stage, it is very essential for the woman to "re-build" herself, mentally and emotionally and develop a positive image of herself. At this point she would need the help and guidance of the facilitator.

### 3.3 Developing a Positive Self Image

In the business situation, the entrepreneur faces setbacks and problems. Such enterprises can lead to loss of confidence and thus loss of motivation.

The way these experiences affect the women greatly depends upon her self image. A woman who is "enabled", with a clear understanding of her capabilities and limitations, has confidence in herself, i.e. self confidence and therefore, has self-respect as well.

**Self-respect** is something that a woman develops as she acquires a sense of being a capable person.

**Self-confidence** is a perception of herself that a woman has when she is able to think, judge, know and correct errors.

The total sum of self-respect and self-confidence is called “positive self image”. Positive self image is an important factor in determining how a woman reacts and responds to the various problematic experiences in her business. Therefore, it is very essential to help women to develop a positive self image.

**Questions for Discussion**

1) What is enabling?

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3) Give five points on what should be done to enable entrepreneurship amongst women.

i) .....  
ii) .....  
iii) .....  
iv) .....  
v) .....

**Case: The Achiever**

Identifying and understanding the barriers to the building up of a positive self image is essential but not enough for a woman to overcome them. It is only if she performs some action that she is able to experience the fact that these barriers can be overcome. To develop a better understanding of the barriers, let us read the following case about Monica and the achiever.

Read this story carefully about ‘Monica the Achiever, the Great One’.

**‘Monica the Achiever, the Great One’**

Along the bottom of a great river there lived a group of creatures somewhat like limpets. Their way of life was to cling tightly to the rocks of the riverbed, and to resist the current of the river. One of them, whom we will call Monica, got tired of clinging. She decided to fight the current of the river and to allow it to take her where it would. Her parents and friends cautioned her against the current – “It will smash you against the rocks and kill you”. But Monica did not listen to them and went ahead. Immediately she stumbled and was tossed against the hard rocks. But the harder she was tossed, the harder was Monica’s resolve not to cling any more. After sometime, the current lifted her free from the bottom, and she was not bruised and hurt any more. The other creatures at the bottom saw her, and marvelled at her, and called her “The Great One”. Monica, floating in the current, called out to the others and said, “I am not greater than any of you. Dare to let go and the river will lift you free, and you will discover your true worth”. The creatures, still clinging, cried, “The Great One!” Monica flowed past, leaving the creatures to cling and make legends of “The Great One”.



Now try and answer these questions about the story.

**Questions for Discussion**

1. What prevented others from becoming like Monica?  
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2. Why do you continue feeling that you are incapable?  
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3. How do you let go of your fears?  
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4. When are you going to awaken the achiever in you?  
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**Learning from Monica's case**

The mental blocks, one has created for oneself, stops one from being an achiever. These blocks further lead to a feeling of negative self worth, and thereby prevent an understanding of one's own potential. Unless a woman is able to look at herself more objectively, understand her potential, and is motivated and empowered she cannot get rid of her fears. The energy released by understanding one's true potential is enough to awaken the woman and enable her to fly to great heights.

The process of empowerment will help the entrepreneur to understand her potential, motive and enable her to come out of the shell and enjoy her life to the full extent. The feeling that there is a capable person within her is a tremendous energy source.

**4. Group or Individual Enterprises**

Till now we have discussed about the individual's (woman's) preparedness to take up an enterprise. Most of the time the facilitators are expected to develop only group enterprises. Formation of groups for savings and credit and working on other development issues collectively is important. But it is not always essential or possible to run group-based enterprises. Therefore, it is important to understand the advantages and disadvantages of group enterprises, and to identify situations where groups of individual enterprises may be appropriate.

Let us ask ourselves a question.

What has been the driving force for the development of every national economy, everywhere?

Clearly, co-operatives have played an important role in many countries, particularly in agriculture and credit, but individual private businesses have been the major "engines of development". It is also useful to think as to why most people who start business without external advice or support start individual or small partnership business.

#### *4.1 Weakness of Group Enterprises*

- Decision making is slow.
- It is easy for some members to leave the work to others.
- Groups can be "hijacked" by special interests.
- Groups are often permanently dependent on outside agencies.
- It is harder to manage a group business than an individual one, because the members have to be persuaded and informed while workers have only to do what they are told.
- People management is harder.

#### *4.2 Reasons for Group Enterprises*

It is believed and advocated by various agencies that group enterprises are the best form of organization for poor people's businesses. So, let us understand why group enterprises should be promoted.

- The poor are weak and have few resources, but they have the strength of numbers. If they pool their resources, they can achieve economies of scale.
- The poor lack access to resources such as finance. They can gain their rights by working together.
- Women are usually the poorest people in poor communities. They are also the most effective group workers.
- If poor people set up individual businesses, they will exploit their fellows. They may become rich only at their expense.
- Even if individual businesses tend to be more successful and to grow faster, they increase society's inequalities. We should promote more equitable distribution through group enterprises.
- Poor communities often have strong traditions of community action. These can be used as a basis of new community business enterprise.
- The rich have traditionally exploited the poor, partly by dividing them against one another. If poor people join together they can empower themselves to achieve social and political as well as economic goals.

#### *4.3 Situations for Group Enterprises*

It is also important to know the situations in which group enterprises should be promoted.

Group enterprises may be best when:

- It is difficult for individuals to pay for the service.
- The activity does not require full-time management.

- All the members have a vital personal interest in the service.
- The activity does not require fast decisions.
- The task is fairly risk-free.

Past experience of several agencies indicate that group enterprises do succeed. For this, the facilitator must understand as to when a group enterprise succeeds.

#### *4.4 Success of Group Enterprises*

A group enterprise succeeds when:

- People do what they want to do. No form of enterprise is forced on them.
- The members have a shared common need.
- A group enterprise is viable and well-managed like any other form of business.
- Group enterprises have one simple function – such as milk collection, or fertilizer distribution, or crop marketing, or saving mobilization. Such an enterprise is more likely to succeed than complex business.
- Group enterprises are allowed to fail, like any other.

The most successful group enterprises are often the ones which have received the least assistance. Let us look at the example of 'Grameen Mahila Udyog' to understand the group enterprise.

Grameen Mahila Udyog started as a small savings group three years ago. Rukmani was a Panchayat member. With the help of Anganwadi workers she had organized twelve women of her village into a savings group. When the group's savings reached Rs. 5,000/- the group decided to start a small eating place or café since a new factory had come up next to the village and there was no place where the various employees could have refreshments. They took help from the Block Development Officer who provided them assistance of Rs.10,000/- under the government scheme. The group decided on the roles and responsibilities of each of the members. Initially, there were some conflicts. Three members decided to leave the group. But Rukmani was a very wise woman. She and the local Anganwadi worker organized meetings to sort out the differences. Even after six months the majority of the group members decided to close down the café. Then in one meeting, the husband of one of the members who was working in the factory suggested that the group representatives meet the factory Supervisor and ask the Supervisor to give the group the contract to run the factory's canteen. That one decision changed the group's destiny. Today, Grameen Mahila Udyog is running a canteen in the factory and serving over 1,000 employees.

#### *4.5 Situations for Individual Enterprises*

The private/individual enterprises are best when the activity:

- needs instant decisions on issues such as prices.
- will not benefit each group member equally from the service.
- involves high risks.
- demands very hard continuous commitment.
- is one where it is difficult to share the work.

Remember Laxmi's pickle making enterprise and Leela and Rani's bindi making enterprise. These are examples of individual enterprises. They started the enterprise in a very small way because they needed to test their product's acceptability in the market. They also needed immediate decisions to make changes in the product to suit the market need.

To conclude, there are no rules as to when group enterprise is appropriate or not appropriate. Local people must be left free to make their own decisions. The role of the NGO or the facilitator should be to show people the options that are available and to facilitate them in doing what they want to do. The facilitator should not promote a group enterprise only because he/she believes that that is the only 'correct' form of business, or because that is more convenient for the NGOs to assist.

### **Questions for Discussion**

- 1) Give three examples of group enterprises which are almost likely to succeed.

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- 2) Give a comparison of situations in which group and individual enterprises can be started.

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Let us study the example of a very successful group enterprise Shri Mahila Griha Udyog Lijjat Papad. It started with seven women but now has over 40,000 women employed by it.

## **5. Case Study**

### **The Prize is Right**

The Economic Times Businesswoman of the Year Award is a toast to the women who stand for excellence and expertise. Amidst the high-flying corporate czars, one modest name shines like a beacon – Lijjat, the Rs. 315 crore company. Sudeshna Chatterjee talks to Jashwantiben Popat, the guiding spirit behind the success story.

On March 15, 1959, seven illiterate and semi-literate women from the Lohana community of Gujarat started an economic drive. Incidentally, the seven *bens* (sisters) never thought of a revolution per se. As the only working *ben* from them (five are no more and one does not work any more), the plain speaking Jashwantiben Popat in her 70's recalls. "All we knew was how to cook. So we gathered to make papads to be self-sufficient as much for the family as for ourselves," They were all married and their husbands were working. All resided in similar accommodation – single rooms in dingy buildings in the narrow by-lanes of Girgaum in South Mumbai.

It all started from a borrowed amount of Rs. 80, which Popat maintains that they returned in two months, with interest. Today, the entrepreneurship has become a household name: Shri Mahila Griha Udyog Lijjat Papad that boasts of an annual turnover of Rs. 315 crore (of which, Rs. 12 crore comes from its export wing that was started in 1960). The admirable point is that while the organization has diversified and its profits have multiplied, the core values remain as personified by Popat.

Still living in that one-room tenement in Girgaum, Popat underlines the organization's philosophy, which she says was emphasized to the *bens* by the late Chhaganlal Karamshi Parekh – a learned man and social worker of their community. The maxim was: the organization would comprise only women. As a business plan, Parekh's earthy, 'simple-living, high thinking' might not be acceptable in today's management schools, but for those simple, hard-working women, it worked well. All the members would be the owners and would be referred to as *bens* - 'sisters'. There would be a central managing committee of 21 members to aid the management; there would also be sanchalikas (supervisors) to look after the daily affairs of the centres and also of the Udyog as a whole. The organization would function on the basis of consensus and each member would have 'veto' powers. And nobody would be superior by dint of designation. Today, more than 40 years later, the model seems to have served the organization well. "We do hire male persons, but they can never dictate to any of the sisters. Rather they can be thrown out of their jobs pronto, if any sister complains against them. But, of course, nothing like that has ever happened," says Popat, with the hint of a smile.

Right from the beginning, the sisters were clear about mixing professionalism with pragmatism. Donations or charity were never elicited and a transparent business model was encouraged. The Udyog, though initially limited to the Lohana community, later enrolled women from other communities and religions who abide by their regulations that include signing of a pledge, which prohibits its members from accepting any gifts or donations. The organization also allows its members to work as long as they can. But it is not a panjrapol (shelter for animals who cannot work anymore), as one of its booklets maintains. But at the end of the day, it's not only about production as much as the organization becoming a place of worship, a sisterhood, a way of life....

Given all of this, one of the mantras at Lijjat has always been strict quality control. "Senior *bens*, including myself, have traveled to several parts of our country whenever we open a new center. I stay for two months and train women there. Today, we have 62 branches and 40 divisions with the latest being opened in Kashmir. Our head office is in Mumbai. We have also diversified from papads to chapattis, khakras, spices, flour, bakery, detergent cakes and powder," Popat's weather-beaten face breaks into a gummy smile.

The turning point for the organization took place in just seven years, in 1966, when it was registered under the Public Trust Act and the Societies Registration Act. This was followed by acknowledgment of the operations as a 'village industry' by the Khadi and Village Industries Commission.

Popat has been a secretary with the organization for 17 years. Now, she works as a supervisor and monitors the younger *bens* making, packing and storing products. She earns Rs. 200-300 per day depending on the volume of work, which will stop the day she quits. Does the future alarm her? She feels it is justified that one should be paid as long as one works.

For the last 40 years, Jashwantiben's life has centred on her children and Lijjat Papad, having lost her husband when she was in her early '30s. "I did

not feel like working, but my relatives insisted I do something rather than sit at home. So I began a fortnight after his death," she says philosophically.

Today, her two daughters are married. Her married son, a father of two, works in a shop. Her familial role affords her some pride ("I will soon be a great-grandmother," she says proudly). At home, she is quite content to settle into a life of shabby middle-class comfort. For instance, a part of Lijjat's papads and masalas are still made, stored and sold in the building she resides in. Quite unlike the usual corporate queen that she might be regarded as. Her day starts at 4.30 a.m. with a prayer to Lord Krishna. Then it's business as usual. There are small pleasures too, like watching Sachin Tendulkar bat over a cup of coffee. Not a material woman at all? "Well, I fancy gold bangles and tulsimala," she admits sheepishly. On being told that she's won the Economic Times corporate award for the businesswoman of the year 2001-02, her happiness brims over. Will she come to the venue to take her rightful place amongst business leaders? "Oh yes, I will," she says.

The Udyog now has 40,000 sisters working for it. So much money, so many people, so many branches..... Did she ever dream it would be so? "We always wanted to bring in as many sisters into the fold as possible. That's why we wanted the organization to grow on its own and not be limited to us, the seven sisters," she observes.

Harvard Business School would certainly approve.

(Source: Times of India, September 1, 2002)