

IMPACT OF WOMEN MICRO ENTERPRISES ON SAMPLE HOUSEHOLDS IN EAST AND WEST GODAVARI DISTRICTS OF ANDHRA PRADESH

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ABSTRACT

Rural women with extremely poor economic background and mostly illiterate cannot be expected to possess the capacity or ability of a modern entrepreneur. If emerging women entrepreneurs have to succeed, they need to have support from the society as well as the family. Most of the studies have highlighted the importance of micro finance and the problems of women entrepreneurs. The main objective of the study is to compare the women micro-enterprises in East and West Godavari districts of Andhra Pradesh. The findings of the study are, among different age groups of 31-50 years (31-40 years age are 42.4 per cent while 41-50 years are 30.8 per cent) in the study area. It is reported that 29.2 per cent of the respondents are illiterate and remaining 70.8 per cent literates. The highest majority of the micro-enterprises (52.1%) have employed 3 workers, 40 per cent of the micro-enterprises employed 2 workers, 4.5 per cent employed 4 workers, each 1.7 per cent of the enterprises used five and six or more workers employed. The average increase in income of SHGs after joining in group is reported at 129 per cent in East Godavari and it is 165 per cent among members of SHG in West Godavari. Indian women can create history if they are helped to rise to the occasion for more productive jobs and absorb surplus labour in the rural areas.

Key Words

Micro enterprises, Women entrepreneurs, Micro finance, Modern entrepreneurs

1. Introduction

Rural women with extremely poor economic background and mostly illiterate cannot be expected to possess the capacity or ability of a modern entrepreneur. However, with the nurturing support and encouragement of Government, NGOs and bank linkages, rural women have emerged as successful micro entrepreneurs and producers of wealth. All this was possible through Self-Help Groups (SHGs) and a vibrant micro-finance movement. An entrepreneur is a person with a clear vision, specific goals and innovative ideas.

Past experiments in public action to improve the socio-economic status of the poor through a host of anti-poverty programmes have not yielded the desired results. Micro-finance/promotion of Self-Help Groups (SHGs) is the resultant outcome of the emerging development perception. Indian experiment in micro-finance, the outcome of the NABARD's vision to evolve its own generic micro-finance system is based on various experimentations and careful study of the whole gamut of the Self Help Groups (SHGs), from conceptualization to designing and implementation to make it feasible for the banks to bank with the poor. Further, micro credit and micro development projects are considered to be "the" significant component of the 21st century development initiatives in both poor and industrialized countries (Rahman Amineur, 1999, 80).

Earlier studies and research have shown that when woman is economically empowered, benefits generally go to families, especially children. Greater the emphasis on developing indigenous women entrepreneurs by a nation, higher will be the status and position of women in the society, resulting in better living for families. The emphasis is also on the development and promotion of local (rural poor) entrepreneurs, and larger dispersal of economic power within the country. It will result in more employment opportunities in rural areas and create enterprises to provide more products and services. There are numerous studies conducted on micro finance and micro-enterprises in various parts of the country. The important studies are Jyothi Kalyanarao Heggini and R.Sinde Jaganadh (2014); Geetha Bala (2013); Meera Bai,M(2008); Chalapathi et,al (2008); Rajani N. (2008); Anil Kumar (2007); Sesha Reddy, P.V. and Ramakrishna Reddy, M.(2001); MohanRao R.M. and Ch.Appa Rao (1999); Sangwan S.S(1996); Kumaran K.P (1997), Sukhwinder Singh Arora and Mankad Dhruv (1995). These studies have highlighted the importance of micro finance and the problems of women entrepreneurs. Women entrepreneurs are faced with many problems. They can be categorized into two classes, one personal and the other societal and administrative. The main problems on the personal front are: lack of self-confidence, lack of initiative, lack of prior experience, and more importantly, family support. In the Administrative and societal front, the biggest block is they being a woman and acceptance of her as equal to man, problems of labour who cannot accept a woman boss directing them because of cultural stereo types, administrative or institutional support at the stage of project formulation, implementation and acquiring capital, and lack of support for marketing and realizing the dues from customers.

If emerging women entrepreneurs have to succeed, they need to have support from the society as well as the family. One needs to study in depth the problems and prospects of women entrepreneurs to understand the situation in the society today. It has been observed that there are not enough studies to find out the levels and spread of women entrepreneurship in Andhra Pradesh. The present study aims to fill the gap. Once this gap is filled, it shows the way forward for the policy maker in strengthening the law. It also identifies the kind of support/training that a woman entrepreneur needs to turn their ideas in to successful ventures and employment generators. Given the backdrop there is a need to study on women micro-enterprises Andhra Pradesh in general and in East and West Godavari districts in particular at gross root levels in order to obtain a clear picture.

2. Objectives of the Study

The objectives of the study are:

- ✓ To examine the socio-economic and demographic features of women respondents in East and West Godavari districts.
- ✓ To analyze the income, and expenditure of the members before and after joining SHG.
- ✓ To find out the impact of micro-enterprises on income and employment and
- ✓ To suggest appropriate measures for improving the performance of these units.
- ✓ The main objective of the study is to compare the women micro-enterprises in East and West Godavari districts of Andhra Pradesh.

3. Methodology

The study has been conducted in the two districts viz., East Godavari and West Godavari districts of Andhra Pradesh. East Godavari rice bowl district, and developed while the other one is low developed. The relevant data for the study will be collected in three stages. In the first stage, secondary data were collected from DRDA's of the respective districts on the Micro-Enterprises (MEs) organized by the SHGs with a cumulative loan from Bank linkage of Rs. 50,000 or more and employ more than two workers. The study selected 120 micro-enterprises units in each district and altogether 240 women micro-enterprises were covered. The reference date is 31-03-2016 and all the information relates to the financial year of 2015-16.

4. Findings of the study

The study covered 240 sample women respondents 120 from each sample district. Information was elicited from the sample women respondents on socio-economic demographic features.

4.1. Socio-Economic Features of the Sample Respondents

Socio-economic and demographic features of women sample respondents are like age, caste, education, type of house, occupation have been discussed.

4.2. Age Group

The age group of the women respondents in the sample indicates her capacity to work and also influence over the production capacity of the households. It is reported that more than 45 per cent of the respondents are in the age group of 31-40 in East Godavari and it is about 40.1 per cent in West Godavari. The percentages of respondents who are placed in the age group of 41-50 years are same in both the districts i.e., 30.8 per cent. This shows that very effective age group women, be it their physical ability or mental maturity are involved in the activities of micro enterprise. These details are given in Table 1.

Table 1: Distribution of Women Respondents by Age Group

S. No.	Age-Group	East Godavari		West Godavari		Grand Total	
		No.	%	No.	%	No.	%
1	Below 30	21	17.5	22	18.3	43	18.0
2	31-40	54	45.0	48	40.1	102	42.4
3	41-50	37	30.8	37	30.8	74	30.8
4	51-60	8	6.7	13	10.8	21	8.8
	Total	120	100.0	120	100.0	240	100.0

Source: Field Survey

4.3. Caste Composition

The details of women respondent's caste-composition are shown in Table 2. Overall, backward classes are accounted for 73.3 per cent in East Godavari while it is 50.0 per cent in West Godavari district. The percentage of women respondents belonging to forward castes are more in West Godavari (25.8%) compared with those in East Godavari district (9.2%). Scheduled Tribe respondents are marginally more in West Godavari district. The data reveals that women sample respondents belonging to backward classes are nearly two-third in East Godavari while it is just half of the percentage in West Godavari (Table 2).

Table 2: Distribution of Women Respondents by Caste-Group

Caste	East Godavari		West Godavari		Grand Total	
	No.	%	No.	%	No.	%
Forward Caste	11	9.2	31	25.8	42	17.5
Backward Classes	88	73.3	60	50.0	148	61.7
Scheduled Caste	10	8.3	11	9.2	21	8.7
Scheduled Tribe	11	9.2	18	15.0	29	12.1
Total	120	100.0	120	100.0	240	100.0

Source: As ex ante

4.4. Educational Status of Women Respondents

The levels of education of the women respondents become very important in applying new methods of technology in micro-enterprises. The details of respondent's educational status are presented in Table 3.

Across the sample districts, illiterate women respondents are marginally higher in West Godavari (31.6%) than those in East Godavari (26.7%). The number of women respondents who completed secondary education is significantly higher in East Godavari (34.2%) compared with West Godavari (29.2%). Among women respondents in East Godavari (13.3%) have completed primary education compared with West Godavari (26.7%). Literate without formal education is slightly higher in East Godavari compared with West Godavari. The data clearly show that respondents in East Godavari are more literate than those in West Godavari.

Overall in both the districts together, it is reported that 29.2 per cent of the respondents are illiterate and remaining 70.8 per cent literates (Table 3).

Table 3: Education Status of Women Respondents

Education Status	East Godavari		West Godavari		Grand Total	
	No.	%	No.	%	No.	%
Illiterate	32	26.7	38	31.6	70	29.2
Literate without formal education	18	15.0	8	6.7	26	10.8
Primary	16	13.3	32	26.7	48	20.0
Secondary	41	34.2	35	29.2	76	31.7
Higher Education	13	10.8	7	5.8	20	8.3
Total	120	100.0	120	100.0	240	100.0

Source: As ex ante

4.5. Type of House

Housing is one of the basic necessities of every human being. Hence, an attempt is made in this study to examine the prevailing housing conditions of the women entrepreneurs in the study area. The data pertaining to housing conditions of the women entrepreneurs provides a very positive picture. It is observed that out of 120 women entrepreneurs as many as 79 (65.8%) are living in pucca houses followed by semi-pucca 30(25%) and 11 (9.2%) of them living in kutcha houses in East Godavari. The corresponding figures are 67 (55.8%), 39(32.5%) and 14(11.7%) respectively in West Godavari (Table 4).

Table 4: Distribution of Women Respondents by Type of House

Type of House	East Godavari	West Godavari	Grand Total
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	No.	%	No.	%	No.	%
Kutchha	11	9.2	14	11.7	25	10.4
Semi-Pucca	30	25.0	39	32.5	69	28.8
Pucca	79	65.8	67	55.8	146	60.8
Total	120	100.0	120	100.0	240	100.0

Source: As ex ante

Overall, only 10.4 per cent of women entrepreneurs are living in kutchha houses. The remaining 89.6 per cent of them are living in the semi-pucca and pucca houses. About 60.8 per cent are living in pucca houses 28.8 per cent are living in semi-pucca houses in the study area (Table 4).

4.6. Occupational Structure

The spread of micro-enterprise should alter the occupational structure of the study area if it impacts the population. Information regarding occupational structure of women respondents in both the sample districts was collected. The details of occupation structure are presented in Table 5. Out of 120, as many as 73 (60.8%) women respondents are in petty business followed by agricultural labourers 15 per cent, cultivators 14.2 per cent and others 10 per cent in East Godavari. While in West Godavari, as many as 83 (69.2%) of women respondents are doing petty business, cultivators 15.8 per cent, agricultural labourers 11.7 per cent and others only 3.3 per cent. The data clearly indicates that a higher proportion of women entrepreneurs have petty business in West Godavari compared with East Godavari. It is observed that nearly three-fourth of women entrepreneurs i.e., 65 per cent is doing petty business in the study area (Table 5).

Table 5: Distribution of Women Respondents by Occupation

Occupation	East Godavari		West Godavari		Grand Total	
	No.	%	No.	%	No.	%
Cultivators	17	14.2	19	15.8	36	15.0
Agricultural Labourers	18	15.0	14	11.7	32	13.3
Petty Business	73	60.8	83	69.2	156	65.0
Others	12	10.0	4	3.3	16	6.7
Total	120	100.0	120	100.0	240	100.0

Source: As ex ante

5. Employment in Micro-enterprises

In India's rural economy, absorption of surplus labour of agriculture in non-agriculture occupations is the most urgent need. It improves productivity of the labour and increases their incomes. If women enterprises are encouraged in the organizational structures like IKP, rural economy gets a boost and transformed within a short period. Women micro-enterprises is nothing but an attempt to bring the potential women workers into the main stream of economic activity. This also works in a way by reducing the proportion of women in the agricultural surplus labour. This reflects positively on the overall economy by increasing the labour productivity. This will help increase the national GDP.

In East Godavari district, 47.5 per cent of the micro-enterprises (women respondents) employed on an average 2 workers, 40.8 per cent of the micro-enterprises employed 3 workers, 6.7 per cent of the them employed 4 workers and another 3.3 per cent employed 6 and more workers. In case of West Godavari, 63.3 per cent of the micro-enterprises employed 3 workers, followed by 32.5 per cent employed 2 workers and 2.5 per cent of the micro-enterprises used 4 workers. The data clearly brought out those more than two, four, and six or more workers employed micro-enterprises are higher in East Godavari compared with West Godavari and also show that three workers are more and six or more works enterprises are not found in West Godavari. This analysis clearly brings out that the microenterprises in West Godavari are more self-reliant in terms of manpower, i.e., they are getting their employers from within the family as is evident from the 95.8% of the enterprises having less than three employees.

In the study area, the highest majority of the micro-enterprises (52.1%) have employed 3 workers, 40 per cent of the micro-enterprises employed 2 workers, 4.5 per cent employed 4 workers, each 1.7 per cent of the enterprises used five and 6 or more workers employed in the study area. This observation is clearly shows that the potentiality of the rural micro-enterprises in employment generation within their own locality and reduce the dependency of local labour on agricultural activities for their livelihoods.

Table 6: Number of Workers Employed in Micro-enterprises in the Study Area

No. of Workers	East Godavari		West Godavari		Grand Total	
	No.	%	No.	%	No.	%
1-2	57	47.5	39	32.5	96	40.0
3	49	40.8	76	63.3	125	52.1
4	8	6.7	3	2.5	11	4.5
5	2	1.7	2	1.7	4	1.7
6 & More	4	3.3	0	0.0	4	1.7
Total	120	100.0	120	100.0	240	100.0

Source: As ex ante

6. Marketing of Product

One of the most important aspects for the success of any micro-enterprise is marketing their product. And in the microenterprise it also the most important constraint too! Since most of the enterprises are petty businesses, kirana shops and dairy, and they cater to the requirements of people in a very small radius, entrepreneurs may not feel spending money on marketing is necessary or a big problem. However, for the survival and sustainability of the enterprise, it is vital. In East Godavari and West Godavari districts, as high as 68.3 per cent and 49.2 per cent respectively sell their products in their local markets. In both the sample districts the enterprises that sell their products in nearby towns/villages are 25 per cent and 35.8 per cent respectively in East Godavari and West Godavari. Women entrepreneurs who sell their products in their local markets are significantly higher in East Godavari compared with West Godavari. Overall, it was noticed that about 59 per cent of the micro-enterprises sell their products in their local market and about 30.4 per cent sell them in the nearest town/villages and about 10.8 per cent sell their output within the districts in the study area. The most dominant enterprise in this district is dairy products. The dairy products have very short shelf-life, in absence of proper refrigeration are highly perishable, as such marketing them on the same day becomes a high priority. It is here the marketing ability and infrastructure of the entrepreneur comes to the fore.

Table 7: Marketing of Product by Women Entrepreneurs in the Study Area

Sale of Product	East Godavari		West Godavari		Grand Total	
	No.	%	No.	%	No.	%
Local Market	82	68.3	59	49.2	141	58.8
Nearby Town	30	25.0	43	35.8	73	30.4
Within the District	8	6.7	18	15.0	26	10.8
Total	120	100.0	120	100.0	240	100.0

Source: As ex ante

7. Income and Expenditure on Micro-enterprises

Ultimate success of an enterprise is measured in terms of the revenues it generates to its owners. Table 8 presents the data regarding the average income and expenditure of the selected micro-enterprises.

The average annual income and expenditure of the enterprise is Rs. 66,560 and Rs. 48,680 growth and net profit is Rs.30,626 in East Godavari district whereas it is Rs. 61,680 and Rs. 56,760 and net profit is Rs. 21,580 respectively in West Godavari during 2015-16. The average income and net profit of micro enterprises are higher in East Godavari compared with West Godavari district.

On the whole, the percentage of income mainly comes from sales revenue is accounted for 81 and two-third of their income spent on raw materials in the study area. The average annual income during 2015-16 financial year is estimated at Rs. 78,823 and expenditure at Rs. 52,720 and net profit is Rs. 26,106.

Table 8: Income and Expenditure of Micro-enterprises April 2014 to March 2015 (Amount in Rs)

Characteristics	East Godavari	West Godavari	Grand Total
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	Average	%	Average	%	Average	%
Income						
Sales Revenue	66560	83.9	61680	78.7	64120	81.3
Interest on Banks Deposits	1270	1.6	3120	4.0	2195	2.8
Other income	11476	14.5	13540	17.3	12508	15.9
Total	79306	100.0	78340	100.0	78823	100.0
Expenditure						
Raw Materials	32780	67.4	40790	72.0	36785	69.8
Wages	8,560	17.6	8640	15.2	8600	16.3
Transport Costs	3800	7.8	2350	4.0	3075	5.8
Interest on Loans	1250	2.5	1500	2.6	1375	2.6
Payment to Vo's	850	1.7	1680	3.0	1265	2.4
Other incidentals	1440	3.0	1800	3.2	1620	3.1
Total	48680	100.0	56760	100.0	52720	100.0
Surplus	30626	-	21580	-	26106	-

Source: As ex ante

8. Income of the Households

Information was also gathered on income of the households before and after joining in SHGs so as to reflect the impact. That information is shown in Table 9. The highest income increases are reported from the occupation group of artisans (252%), petty business (218%), dairy (157%), fishing (144%), agribusiness inputs (107%), poultry (66%), agriculture (65%) and wage labour (24%) in East Godavari. It is noticed that agriculture is not at all a profitable profession, since it recorded an income increase of 129 per cent. The corresponding figures for West Godavari are 84, 244, 209, 68, 56, 125, 49 and 50 per cent respectively. The changes in income are more manifest from petty business, dairy and poultry/meat business in West Godavari whereas these changes are more in artisans, petty business and dairy, fishing and agribusiness inputs in East Godavari. The average increase in income of SHGs after joining in group is reported at 129 per cent in East Godavari and it is 165 per cent among members of SHG in West Godavari (Table 9).

Table 9: Average Income of the Household Members Before and After Joining in SHG

Sl. No	Economic Activity	East Godavari			West Godavari		
		Before	After	% change	Before	After	% change
1	Agriculture	7030	11620	65.3	6830	10175	49.0
2	Agribusiness inputs	1085	2250	107.4	1850	2890	56.2
3	Livestock trade	6540	16800	156.9	5660	17475	208.7
4	Poultry/meat business	650	1080	66.2	1940	4370	125.3
5	Fishing	675	1645	143.7	1700	2850	67.6
6	Petty business	10340	32860	217.8	8980	30850	243.5
7	Wage labour	5545	6850	23.5	2160	3240	50.0
8	Artisans	620	2180	251.6	1360	2500	83.8
9	Others	2920	5890	101.7	2420	4500	86.0
	Total	35,405	81,175	129.3	26915	71360	165.1

Source: As ex ante

9. Conclusion

To sum up, a higher proportion of respondents are in the age group of 31-40 (42%) and 41-50 (31%) in the study area and majority of them belonging to backward classes. About 29 per cent of women respondents are illiterate in the study area. Majority of the micro-enterprises (52.%) have employed 3 workers, 40 per cent of them employed 2 workers and 4.5 per cent employed 4 workers. This is a very encouraging observation and shows the potential of the rural micro-enterprises in labour

absorption. The changes in income are more manifest from petty business, dairy and poultry/meat business in West Godavari whereas these changes are more in artisans, petty business and dairy in East Godavari. The average increase in income of SHGs after joining in group is reported at 129 per cent in East Godavari and it is 165 per cent among members of SHG in West Godavari. There is a positive change through micro enterprises ultimately caused positive impact on income and employment conditions of the women entrepreneurs in both the sample districts. The study clearly brings out the fact that the policies and programmes for promoting women entrepreneurship have not been fully grounded. This is more so among rural women. The good work done by SHGs has some impact on motivating women for social, political and economic empowerment. Women Empowerment can be sustainable if earning capacities of women improve substantially through non-farm activities.

Indian women can create history if they are helped to rise to the occasion for more productive jobs and absorb surplus labour in the rural areas.

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