

## **Entrepreneurial activities of Kudumbashree neighbourhood groups (NHGs) in Kerala**

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### **ABSTRACT**

Realizing the potential of women entrepreneurship state poverty eradication mission of Kerala the Kudumbashree initiated entrepreneurial activities for rural poor women by organizing them into neighbourhood groups (NHG). It was aimed at taking up microenterprises with the support of Kudumbashree and has evidently proven its capability in organizing rural poor and empowering them. The study was conducted in Palakkad district on 120 NHG members to explore the diversity of enterprises, their functioning and challenges they faced. It was found that majority of the entrepreneurs were involved in activities like Nutrimix production and textile bag making which fetched them regular income as well as profit on a sustained basis. These women entrepreneurs faced several challenges in moving forward which needs immediate intervention. Also there is a need for more awareness about new ventures and capacity building in critical areas for further advancement.

**Keywords:** Entrepreneurship; neighbourhood groups (NHGs); rural women

### **INTRODUCTION**

Rural women entrepreneurship has hogged the limelight over the past few years due to its untapped potential in bringing the masses out of poverty. The entrepreneurial skills are needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment (Bahl 2012). Women entrepreneurs can play a crucial role in taking up potential enterprises in rural areas, motivating other community members, mobilizing the resources, building

partnerships and contributing towards their own empowerment. The entry of women into business in India is traced out as an extension of their kitchen activities mainly 3 Ps namely pickle, powder and pappad (Deepa 2014). In the past many programmes started with much enthusiasm but failed to recognize that women's lives are mostly shaped by the socio-cultural environment in which they live and to recognize their basic needs and demands. Most of them defined poverty only in monetary terms and paid negligence to women's socio-cultural disadvantages.

Learning from these mistakes the State Poverty Eradication Mission (SPEM) the Kudumbashree came out with an innovative idea of building the network of microenterprises in the rural areas which were owned and managed by the local women themselves. The mission followed a process approach rather than a project approach and envisaged the prosperity of the poor families in the state with multiple programmes that would provide them information, create awareness among them, build up their capability and capacity, enhance their confidence and show them opportunity for better social security and empower them physically, socially, economically and politically (Jose 2010). It has altered lives of poor women in the state, changed their perception, rebuilt their confidence, boosted their morale, rediscovered their dignity and honour and empowered them (Jose 2010).

The mission accomplishes its vision by organizing poor women into neighbourhood groups for initiating entrepreneurial activities. These enterprises are owned and managed by the women themselves and have basic operations similar to that of a SHG viz thrift collection, microfinance, income generation, joint liability groups etc. It also undertakes training and capacity building programmes for the members and bringing the NHGs under the umbrella of community development societies (CDSs) for facilitating its better control and operations.

Neighbourhood groups (NHGs) although similar to self-help groups (SHGs) in their basic characteristics are different in some critical aspects and are unique in their operation. SHGs are non-CDSs based and informal organizational structures promoted by voluntary/development agencies. But NHGs are CDSs-based which are essentially sponsored by the government for upliftment of the poor especially women by bringing together activities of various development departments. Also NHG members are from families facing high risk ie usually belonging to BPL category identified on the basis of 9 point non-economic criteria delineated by the state.

The present study was conducted with an objective of exploring the diversity of enterprises, their modus operandi and the challenges they faced in their operation. A glimpse of various government schemes/programmes for women entrepreneurs is given in Table 1.

## **METHODOLOGY**

The study was conducted in Palakkad district of Kerala owing to the fact that highest number of Kudumbashree neighbourhood groups (21651) was reported from the district. Three Taluks were randomly selected for the final study viz Ottappalam, Palakkad North and Alathur. From each of these Taluks random selection was followed to select 5 neighbourhood groups and 4 members from

## Entrepreneurial activities of neighbourhood groups

Table 1. Government schemes/programmes for women entrepreneurs

Year	Programme	Focused area
1982	Development of Women and Children in Rural Areas (DWCRA)	Income generating activities and organizational support
1986	Support for Training and Employment Programme of Women (STEP)	Training for up-gradation of skills and sustainable employment for women through a variety of action oriented projects
1990	Small Industries Development Bank of India (SIDBI)	Introduced following schemes to assist the women entrepreneurs: <ul style="list-style-type: none"> <li>• Mahila Udyam Nidhi</li> <li>• Micro-Cordite Scheme for Women</li> <li>• Mahila Vikas Nidhi</li> <li>• Women Entrepreneurial Development Programmes</li> <li>• Marketing Development Fund for Women</li> </ul>
1993	Rashtriya Mahila Kosh	Income generating activities, SHG formation and microcredit
1993	Mahila Samridhi Yojana	Economic security through inculcating saving habit
2000	Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women	Economic empowerment of women through development of entrepreneurial skills in non-farm activities
2001	Swayam Siddha	Empowerment of women through ownership of Resources

each of the NHGs. A total of 120 respondents were interviewed who were active members of Kudumbashree NHGs and were involved in entrepreneurial activities (Table 2). Household and workplace surveys were conducted with a well framed interview schedule to get a clear picture of the microenterprises and its functioning. Personalised data collection helped to know the ground level realities clearly and to point out those enterprises which existed only in paper.

## RESULTS and DISCUSSION

In the study area Nutrimix units were reported as the most favoured enterprise due to the relative profitability, sustained demand for the product as well as stable income for the members. All the Nutrimix units surveyed were equipped with modern machineries to grind, mix and pack the product thus reducing the drudgery of the members. Textile bag making was another successful venture in which bags

were made on demand and were supplied to the customers mainly the textile shops. But the demand for photo printed textile bags needed establishing costly machineries making it a challenge for the enterprise. The members from these units were in the fear that they would lose the market space unless provided with needed equipment and training to handle it. Samagra Kondattams (dried vegetables) were the traditional delicacies of the district. The brand name has made marketing of the product easier as well as made it much popular and demanded product among the customers. Other enterprises were more localised and were mainly run by the members who were specially trained for that or were traditionally involved in that venture. Invariably it was found that these enterprises were

contributing to their economic empowerment as these enabled them to earn a stable monthly income regularly. These also enabled them to come out of their stereotype social roles and get familiarized with various social institutions, interacting and learning from them. Apparently all these were found contributing towards their empowerment in various spheres of life.

There are number of constraints which impede the progress of the microenterprises. Entrepreneurs faced several challenges in marketing the product like absence of proper marketing place, varied demand, quality concerns, delayed payment which need to be addressed. Competition from other enterprises, high cost of inputs, unavailability of quality inputs in time, non-cooperation among the

Table 2. Entrepreneurial activities of NHG members

Kudumbashree microenterprises	Respondents	
	Frequency	Percentage
Amrutham Nutrimix unit	30	25.00
Textile bag making unit	19	15.83
Coconut oil and other products (soap, bathroom lotion etc)	16	13.33
Samagra Kondattam (dried vegetables)	13	10.00
Kudumbashree canteen	10	8.33
Bamboo handicraft unit	8	6.67
Cotton spinning unit	8	6.67
Tailoring unit	7	5.84
Footwear making unit	4	3.33
Milk products unit	3	2.50
Ornament making unit	3	2.50
Total	120	100.00

members etc need immediate attention. Also there was a strong demand of the members for training to build their capabilities. Hence it is evident that even though the efforts of Kudumbashree were giving some desired results more has to be done to harness its full potential.

### CONCLUSION

Built around the critical components of microenterprises and entrepreneurship provides a social space for the rural poor to pool their resources and engage in income generating activities for their own development. Today Kudumbashree is one of the largest women's movement in Asia with a membership of 37.8 lakhs representing equal numbers of families. It functions as a community voice of the local self-help groups particularly economically and socially deprived women. Realizing its

potential the central government is reportedly contemplating to replicate the model in connection with National Rural Livelihood Mission (NRLM) and make it a countrywide programme. Given the scope and potential of the groups in engaging the rural poor in order to make them economically self-reliant and socially empowered the programme should be made more sustainable with the support from state government and should seek for furthering its horizons.

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