

ENTREPRENEURIAL CAPACITY CREATION THROUGH OCCUPATIONAL SHIFT AND SUSTENANCE ORIENTATION OF WOMEN MICRO ENTREPRENEURS

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ABSTRACT

This paper aims to study the effect of a shift from agriculture to non-farm based occupations on the creation of entrepreneurial capacity and the extent of sustenance orientation of women micro entrepreneurs. A total of 762 respondents were surveyed from 73 villages in Kanakapura Taluk of Ramnagara District in Karnataka State in India. The survey used a multi-stage random sampling methodology. The study established very clearly that a significant level of entrepreneurial capacity was built in the study area between 2010 and 2016, due to intervention through microfinance. It is impressive that all the respondents covered by the survey were self-employed; 92% of them were operating business ventures or were planning to start. In addition to farm based occupations, the respondents generated supplementary income through animal husbandry, services, sericulture and trading, transport and manufacturing. The results of the t test carried out to determine the significance of the shift from agriculture to non-farm based occupations among women micro entrepreneurs, returned an absolute t value of 2.2078 and a p value of 0.03 at 5%, which is statistically significant. While these entrepreneurs generated a sizeable 2734 jobs, their inability to create additional jobs during the study period is noticeable, as borne out by the t test which returned an absolute t value of 0.6171 and a p=0.27 at 5%, which was statistically insignificant. Regarding the purpose for which microfinance was availed by beneficiaries, it was seen that 88% of the respondents used the funds for sustenance of their livelihood and consumption purposes. The Z test of proportions applied to determine if microfinance is used for business purposes operations and expansion rather than for sustenance related activities, returned an absolute value of 32.80 which is significant at 5%, indicating that microfinance is used for sustenance of livelihood rather than for business activities. The conclusion is that significant entrepreneurial capacity has been created in the study area due to shift from agriculture to non-farm based occupations by women micro entrepreneurs and that they practice entrepreneurship for sustenance of their livelihood rather than for business expansion and growth. There is scope for future research into the different dimensions of micro entrepreneurship using suitable research methodology.

Keywords: microfinance, micro entrepreneur, occupational shift, entrepreneurial capacity, self- help groups

INTRODUCTION:

The emergence of microfinance in the late 70's in Bangladesh, with the pioneering efforts of Nobel Laureate Prof. Muhammad Yunus in Grameen Bank and its growth in India, during the 80's, spearheaded by the National Bank for Agriculture and Rural Development (NABARD), the nodal bank for agriculture and rural development in India has seen the emergence of a new breed of entrepreneurs in India and other less developed countries (LDCs) that have come to be known as "micro entrepreneurs". Access to microfinance enabled small and marginal farmers, who were hurting from the high cost of agricultural operations due to high yielding seeds, irrigation, storage, transport, labour, farm machinery and the like, to shift to operating small business enterprises in non-farm related occupations as micro entrepreneurs.

Micro-entrepreneurs, as opposed to Entrepreneurs and Social entrepreneurs are sustenance-oriented, who create and capture little value for themselves and for stakeholders. Munhoz (2010) defines micro-entrepreneurship to include such firms with fewer than five employees and self-employed individuals. Micro entrepreneurs often practice entrepreneurship as a tool for survival (Selamat, 2011). As opposed to this, Entrepreneurs are persons who assume risks and generate value through creation or expansion of economic activity (refer figure 1), by identifying and exploiting new products, processes or markets and they create and capture a lot of value for themselves. In addition, they either create a lot of value for stakeholders (employees, government, customers and society) or very little value for them. Social entrepreneurs, on the other hand, create and capture little value for themselves and a lot of value for stakeholders. (Nadim Ahmed and Anders Hoffman, 2007; Nadeem Ahmed and Seymour, 2008).

Not much research has been done on the entrepreneurial pursuits of sustenance-oriented individuals availing microfinance. Chliova et.al. (2013) observed that "little is known about approaches to foster low technology, often subsistence-directed, entrepreneurial activity of poor individuals in less developed countries. Although these people represent a large part of the world's population and their challenges for development are apparent, we still lack an understanding of key instruments that benefit the individuals in these largely informal economies".

Gindling & Newhouse (2014) and Mead & Liedholm (1998) state that micro-entrepreneurship and self-employment have developed continuously during the last few decades, and they have succeeded in creating jobs in low-income countries. Tipple (2005) in his study says that "households and micro-businesses are inextricably intertwined, in terms of ownership, management and decisions, saving and financing, production and consumption".

Microfinance allows significant improvements in micro entrepreneurs' quality of life in LDCs; "Microfinance allows micro entrepreneurs to stabilize cash flows, bring security to the enterprise, better manage spending and generate savings; Increase in saving provides better standards of living to their family in terms of housing, nutrition, health and education; access to banking and increased security promotes a sense of entrepreneurship and increases self-esteem; Microfinance helps to reintegrate entrepreneurs into the economy's formal networks and fosters sustainable development of local communities. Microfinance and sustainable micro entrepreneurship combine to offer a potential solution to the poverty crisis of the 21st century, despite several challenges" (Vincent, 2004). Access to microfinance has led to the creation of sustainable livelihood opportunities for the poor through skills training to build capacity of micro entrepreneurs; training in basic entrepreneurial skills; growth in decision making powers, confidence and other personal skills, awareness of health and safety issues (Venugopalan, 2014). Association with SHGs leads to gainful engagement in non-farm activities and decline in consumption, increase in savings and household assets (Ausburg et, al. 2015). In India, Self Help Groups (SHGs) play a central role in fostering micro entrepreneurship through microfinance interventions through models preferred by NABARD, involving either Bank – Self Help Group (SHG) or Microfinance Institution (MFI) – SHG linkage (NABARD 2012-13). This paper aims to study the effects of microfinance intervention on creation of entrepreneurial capacity through shift towards non-farm based occupations and to determine if entrepreneurship

practiced by women micro entrepreneurs is sustenance oriented or is aimed at business expansion, in Kanakapura Taluk of Ramnagara District in India's Karnataka State.

LITERATURE REVIEW:

An overview of the research carried out in areas related to the title of this paper, viz., entrepreneurial capacity building through occupational shift and the sustenance orientation of micro entrepreneurship, is presented below:

A study conducted by NABARD (2012 -13) stated that it supports need based skill development programmes for SHGs to "bridge skill deficits or facilitates optimization of production activities of members like 'System of Rice Intensification' or maintenance of milch animals, embroidery, tailoring etc. Inputs of enterprise related skills are given to promote entrepreneurial talents of members to set up and run micro enterprises as a livelihood option. Nearly 9000 skill up-gradation training programmes have been conducted under these initiatives covering about 2.41 lakh members of matured SHGs. Most of the trained SHG members have become entrepreneurs by availing loans from their SHGs". In a related study based on data extracted from the reports of NABARD, Sherwani and Sahiba (2015) concluded that the Self-Help groups (SHGs) and other institutions employing microfinance as a tool of encouraging entrepreneurship and income augmentation have a minimal presence in Delhi.

In a research study undertaken based on primary data analysis of 698 SHG members of the microfinance programme in Maharashtra, Prema Basargekar (2011), concluded that a majority of the clients belonged to the underprivileged sections of the society; they also had no affiliation with any social organization before joining the microfinance programme, and their association with microfinance programmes had led to formation of social capital; their entrepreneurial skills stood enhanced, as evidenced by change in self-confidence, self-esteem, self-awareness, leadership qualities, decision making abilities and risk taking abilities ; the level of capacity building in terms of training and education, awareness about health, sanitation, education of children, as well as about having control over crucial resources such as savings, incomes and loans; the level of personal entrepreneurial skills was higher among productive loan users compared with consumption loan users and that higher level of capacity building will lead to more productive use of loans. Furthermore, it was observed by Lalitha and Nagarajan (2002) that the basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment.

Based on a research study covering 300 entrepreneurs in Mymensingh, Bangladesh involved in vegetable cultivation, livestock and poultry rearing, fish cultivation, Kabir, Hou, Akther, Wang,J. and Wang,L (2012) concluded that most of the entrepreneurs have improved their socio-economic conditions through small scale entrepreneurship. Livestock and poultry entrepreneurship is significantly associated with financial, physical and social capital. Vegetables entrepreneurship has significant co-efficient with natural and physical capital, fisheries entrepreneurship also significant and positively associated with human capital. Semi intensive entrepreneurs have benefited the most. Results also show the role of NGOs, micro credit and training programmes have great impact on entrepreneurs' livelihood pattern and developed living standard. Moreover, poor livelihood assets, vulnerabilities and weak transforming structures and process are identified as constraints for sustainable livelihoods of entrepreneurs and associated group. In another study, covering 800 respondents in Tanzania, it was concluded by Kihwele and Gwahula (2016) that microfinance has a positive impact on poverty reduction given that the beneficiaries use the loans in productive activities. Further, there is a positive correlation between savings and poverty reduction. It was further concluded that there was a positive relationship between financial skills of loan recipients and poverty reduction. Further, in a study carried out in the Akhuwat region in Pakistan, using a case study type qualitative approach, it was concluded by AzadEjaz and Ramzan (2012) that "provision of microfinance has led to (a) satisfaction of basic human needs through job creation and giving them opportunity to sustain their lives by providing group and individual

loans without interest to the poor layer of society (b) changing of norms and behavior to create opportunities by giving loans to women and securing their rights in society and (c) creating environment to meet needs of future generations”.

A research study covering 41 women micro-entrepreneurs in Penang island, Malaysia, undertaken by Selamat (2011) concluded that those in informal business do not seem to possess a burning desire or “competitive attitude”. These enterprises become the means for the villagers to build and improve their economic sustainability particularly for the poorest and the most vulnerable people. To those involved, micro enterprise is not just a means of income generation but also a tool of survival.

A study conducted using a large-scale sample of 7953 eligible women in 1409 communities in 40 BRAC branches, and an additional 19,012 households from all other wealth classes during a long-term randomized control trial in Bangladesh by Bandiera, Burgess et al. (2013), revealed that sizable transfers of assets and skills enable the poorest women to shift out of agricultural labor and into running small businesses. This shift, which persists and strengthens after assistance is withdrawn, leads to a 38% increase in earnings. Inculcating basic entrepreneurship, where severely disadvantaged women take on occupations which were the preserve of non-poor women, is shown to be a powerful means of transforming the economic lives of the poor.

Findings of a pan-India study by Jahanshahi, Nawaser, Khaksar and Kamalian (2011) suggests that micro finance policies of Government of India have helped in employment generation, making it second best way of employment generation, next to agriculture. The experience of recent years shows that while employment in agriculture sector has been declining, large industries are also experiencing jobless growth. In such a situation, the main responsibility for job creation rests with the unorganized sector including small and medium enterprises and the service sector.

A longitudinal study conducted by Dehejia and Gupta (2016), over the period 1999 to 2004, using one million of randomly selected Indian households retrieved from the survey of The National Sample Survey Organization (NSSO), a division of the Ministry of Statistics suggests that access to micro finance may affect the occupational choice of the individual. Greater access to lending sources through formal lending channels is associated with a decrease in self-employment in micro enterprises. It is concluded that district with more bank branches are significantly less likely to be self-employed, and more likely to be employed in formal sector firms, with larger effects for more educated individuals. This study brings contradictory evidence on the influence of micro finance on shift of occupation, making it inconclusive.

A research study by Devi, Ponnarasi and Saravanan (2007), covering 216 respondents affiliated to 72 SHGs in Chidambaram Taluk, Cuddalore District, Tamil Nadu, concluded that Micro credit helped in the empowerment and poverty alleviation of rural women and the income generating activities made a difference in the lives of poor women by providing economic independence, self-assurance and self-sufficiency. Besides, the SHGs have helped the respondents to be more gainfully employed in the non-farm activities. Their joining SHGs has also elevated their social status because of the opportunities available to be self-employed with the training undergone on various skills. They also perceived the SHGs as agencies to solve their social problems and as a link to other government agencies. Thus the members could achieve their objectives through collective actions by coming together to fight for common and worthy causes.

A research study based on a questionnaire administered to 253 respondents, followed by focus group discussions and in-depth interviews of 87 respondents in Hambantota in Sri Lanka, conducted by Shaw (2004), concluded that since occupation selection is a key determinant of poverty exit, interventions encouraging the semi-urban poor to select entrepreneurial occupations are likely to further improve their prospects for poverty alleviation.

This paper addresses extant research gaps in two areas viz., the impact of occupation shift from agriculture into non-farm based occupations entrepreneurship capacity creation and the sustenance oriented nature of micro entrepreneurship in Karnataka State of India.

OBJECTIVES AND HYPOTHESES:

The objectives of the study were:

1. To determine the degree of entrepreneurial orientation in the study area and to arrive at the proportion of self-employed women or micro entrepreneurs.
2. To study the effect of a shift in occupation from agriculture into non-farm lines of business on entrepreneurial capacity creation and to determine the statistical significance of the shift in occupations.
3. To determine whether the practice of entrepreneurship by women micro entrepreneurs was sustenance oriented or was aimed at expansion of business operations.

To meet the above objectives, the following hypotheses were formulated:

H1: Access to and use of microfinance has led to creation of entrepreneurial capacity in non-agriculture business sectors through occupational shift.

H2: Microfinance is used more for sustenance activities than for business operations and expansion.

METHODS:

The study is carried out in Kanakapura Taluk of Ramanagara district in the State of Karnataka, comprising 282 villages and 1 town. The Taluk is situated at a distance of 55 kilometres from Bangalore. Karnataka is the 5th largest state in India with an estimated nominal GDP of of \$ 200 billion in 2017-18 (Karnataka Budget Analysis, 2017) and 9th largest in terms of population (6.11 crores), with a geographical spread of 191,791 square kilometres and a literacy rate of 75.36%. Ramanagara district, close to the capital city of Karnataka, Bangalore, spread over 3516 kilometres, has a population of 10.83 lakhs. Out of this 6.74 lakhs are literate. The district comprises 872 villages and 6 towns.

The study spanned over the period 2010-2016. After an extensive background study, the actual data collection was done between May 2016 and November 2016. Data was collected for two (2) specific points of time, i.e., 2010 and 2016, with a view to capturing information post microfinance intervention.

The brief profile of the respondents is as follows: All the respondents were women, since SHG membership in the study area is open to only to women; 93% of the respondents were from the productive age group of 21-50; 98% of the respondents were from the marginalized sections of the society. They belonged to Scheduled Caste, Scheduled Tribe or 'Other Backward Classes'; 69% of the respondents had not completed school. They were school leavers, who had left school before 10th standard. 27% had passed 10th standard or the pre-university course; all the respondents were self-employed or micro-entrepreneurs and all the respondents in the survey were members of Self Help Groups.

DATA COLLECTION:

As a prelude to collection of data, decisions had to be made on the techniques to be adopted for:

- (i) Selecting a representative sample from among the 282 villages in Kanakapura Taluk.
- (ii) Selecting a representative sample of respondents from the shortlisted villages.

After careful consideration, it was decided that the multistage random sampling technique was best suited for collection of data needed for this study.

It was planned to include 25% of the total number of villages in Kanakapura Taluk in the sample. Accordingly, the villages were listed in the same order as Census, 2011, and the sample villages were chosen using the simple random sample technique. The random numbers were arrived at using a random number generator. A total of 73 villages, representing 26% of the total number of villages in the Taluk were chosen for the study.

In the second stage, stratified random sampling technique was applied. Each village represented a stratum from which random samples were drawn. 900 respondents were targeted for the study. Interview schedule was actually administered to 902 respondents.

Data collection was done in 2 phases. In phase 1, 340 responses were obtained. 86 data files were incomplete and were excluded from the study and outliers removed. In the 2nd phase the Interview schedule was administered to 562 respondents. In this phase, 42 data files which were incomplete were excluded from the study and outliers removed. Finally 762 respondents were considered for the study.

ANALYSIS OF DATA:

The primary data collected during the study was entered into SPSS software. Through descriptive statistics, the collected data was summarized in the form of frequency tables, bar charts and pie charts. Cumulative frequencies, percentages and measures of central tendency are applied and presented to facilitate analysis. Cross tabulation was used to explore relationships between multiple variables.

For testing of hypotheses, the dependent t-test (also referred to as paired t-test or paired samples t-test) is used to compare and determine if there is a statistically significant difference between two means, one before intervention through microfinance and the other post-intervention. The Z test of proportions is applied to compare whether two groups vary significantly in terms of their proportions.

RESULTS AND DISCUSSION:

The first objective was to determine the degree of entrepreneurial orientation in the study area and to arrive at the proportion of self-employed individuals or micro entrepreneurs.

Figure 2 is a diagrammatic representation of the current status of the micro enterprises operated by the respondents. A significant proportion of the respondents, i.e., 92% have confirmed that they are currently operating or plan to start a business, indicating the high entrepreneurship orientation of the sample population. 8% of the respondents seem to be unclear that their self-employment is a business enterprise.

Figure 3 is a diagrammatic representation of the employment status of the respondents. It can be seen that all the respondents (762) are self-employed (100%) qualifying as micro entrepreneurs. A sizeable 64% of respondents worked for daily wages in addition to managing their business ventures, thus generating additional income for their households. The percentage of home makers is 32% of the 762 respondents. Virtually no one covered by the survey was a home maker without gainful employment. It is concluded that a tremendous amount of entrepreneurship capacity has been built in the geographical area covered by the study since all respondents in the survey confirmed that they were self-employed, i.e., an impressive 100% of the respondents were micro entrepreneurs.

The second objective was to study the effect of a shift in occupation from agriculture into non-farm lines of business on entrepreneurial capacity creation and to determine the statistical significance of the shift in occupations.

Table 1 indicates the nature of business operations of households and number of employees. The total number of responses, i.e., 1518 and 1621 for 2010 and 2016 respectively, exceeded 762, since respondents chose more than one option. Nearly 80% of the households were into agriculture (613 out of 762). However, both in terms of number of households involved and number of employees, agriculture showed little change; the number of households went down from 614 to 613; the number employed fell from 1189 to 1160 during the period of the study. Intervention of microfinance has helped households to supplement livelihood from agriculture with income from alternative occupations such as animal husbandry, services and sericulture, to supplement their sustenance efforts through agriculture. Animal husbandry was the most sought after occupation for 64% of the respondents (467 households in 2010 and 486 in 2016). The services business was pursued by 44% of respondents (323 households in 2010 and 339 in 2016). Households involved in sericulture went up from 10 to 61, i.e., 8% of households took to sericulture. 16% of the households were involved trading, transport and manufacturing.

In terms of employment, the increase was marginal at 0.01% (from 2707 to 2734 persons) during the period of the study. As of 2016, agriculture employed 42% of the total number of 2734 persons, animal husbandry 29%, Services 20%, Sericulture 3% and trading, transport and manufacturing contributed to 6%.

From Table 2, it may be seen that there is a significant increase in the average number of households engaged in different lines of business during the study period. The average number of households increased from 216.86 to 231.57. In terms of the occupational shift of households from agriculture to other lines of business, i.e., agriculture, animal husbandry, trading, transport, manufacturing, services and sericulture, the t-test returned an absolute t value of the 2.2078 and a p value of $p = 0.03$ at 5%, which is statistically significant, indicating that microfinance has facilitated occupational shift from agriculture to other sectors of business at the household level. The null hypothesis insofar as occupational shift of households is concerned stands rejected and the alternate hypothesis that "Access to and use of microfinance has led to creation of entrepreneurial capacity in non-agriculture business sectors through occupational shift" is accepted. Thus microfinance has contributed to build up of entrepreneurial capacity in non-agriculture business sectors, tailored to the needs of micro entrepreneurs.

In terms of employment generation, while in terms of absolute numbers employed by these microenterprises is sizeable (2734 in 2016), Table 3 shows that there is no significant difference in the average number of persons employed in the different lines of business during the study period. The average number of persons employed increased from 386.71 to 390.57. The absolute t value of the difference between the two sample means is 0.6171 and the p value is statistically insignificant since $p = 0.27$ at 5%. The capacity of the enterprises to generate additional employment is not significant in statistical terms.

The third objective was to determine whether the practice of entrepreneurship by micro entrepreneurs was sustenance oriented or was aimed at expansion of business operations.

Table 4 indicates the purpose for which microfinance was availed by beneficiaries. Since respondents chose multiple options, the total number of responses was 1814. 1605 (88%) responses related to beneficiaries availing loans with the purpose of sustenance of their livelihood, like education of children, repayment of existing loans, house repair, house construction, savings and son/daughter's marriage rather than for purposes of growth or expansion of their business ventures. Only 209 responses (12% of the total) related to purposes connected directly with their business ventures, i.e., for current operations towards purchase of materials and assets in connection with the business or for expansion of their enterprises.

Figure 5 shows the results of the Z test to determine if microfinance is used for sustenance of livelihood rather than for business expansion.. Using the test of proportion of the respondents using micro finance for business purposes, the result obtained was 0.1152 and the proportion of respondents using micro finance for sustenance related was 0.8848. The proportion of respondents using micro finance for business purposes, i.e., 0.1152 was compared with the hypothesized proportion value 0.5. The standard error of the proportion is 0.01173. The Z value of the proportions is -32.80. The absolute value of the Z test of proportions is 32.80 and hence the value is significant at 5%. The null hypothesis stands rejected and the alternate hypothesis that "Microfinance is used more for sustenance activities than for business expansion" is accepted. Funds received through microfinance are thus mainly used by micro entrepreneurs for sustenance or for consumption activities and application of funds towards business operations/expansion is insignificant.

CONCLUSION:

Microfinance has led to a strong entrepreneurial orientation among women through the medium of SHGs and has led to a significant increase in self-employed micro entrepreneurs. It has enabled households to supplement agricultural income with income from other business sectors such as animal husbandry, services, trading, transport, manufacturing and sericulture. It has contributed to the creation of entrepreneurial capacity in non-agricultural business sectors. The synergistic effect of creation of entrepreneurial capacity in non-agricultural business sectors and

the high entrepreneurial orientation of women in the study area has led to entrepreneurial capacity getting built in the region.

It is also concluded that micro entrepreneurship in the study area is sustenance oriented. Micro entrepreneurs are able to generate just enough income to sustain their livelihood. They are unable to scale up their micro enterprises through incremental investments. Micro entrepreneurs have the ability to create jobs. But due to lack of scale, there are limitations on the number of additional jobs that they are able to create on an annual basis.

The conclusion of this study that access to microfinance has led to creation of entrepreneurship capacity in the study area due to a shift out of agriculture into operating small businesses enterprises in non-farmed based occupations, corroborates the findings of research studies conducted by Devi et al. (2007) in Tamil Nadu, India; Kabir et al. (2012) in Mymensingh, Bangladesh; Prema Basargekar (2011) in Maharashtra, India and Shaw (2004) in Hambantota, Sri Lanka. The results of this study, however, do not support the contrarian view expressed in a study by Dehejia and Gupta (2016), wherein they concluded that access to formal banking channels is associated with a decrease in self-employment in micro enterprises.

Furthermore, this study has concluded that micro entrepreneurs are sustenance oriented. They do not aim for business expansion. In a similar study by Selamat (2011) in Malaysia, it was concluded that micro entrepreneurs run their enterprises as a tool for survival.

There is scope for further research into the different dimensions of micro entrepreneurship using suitable research methodology.

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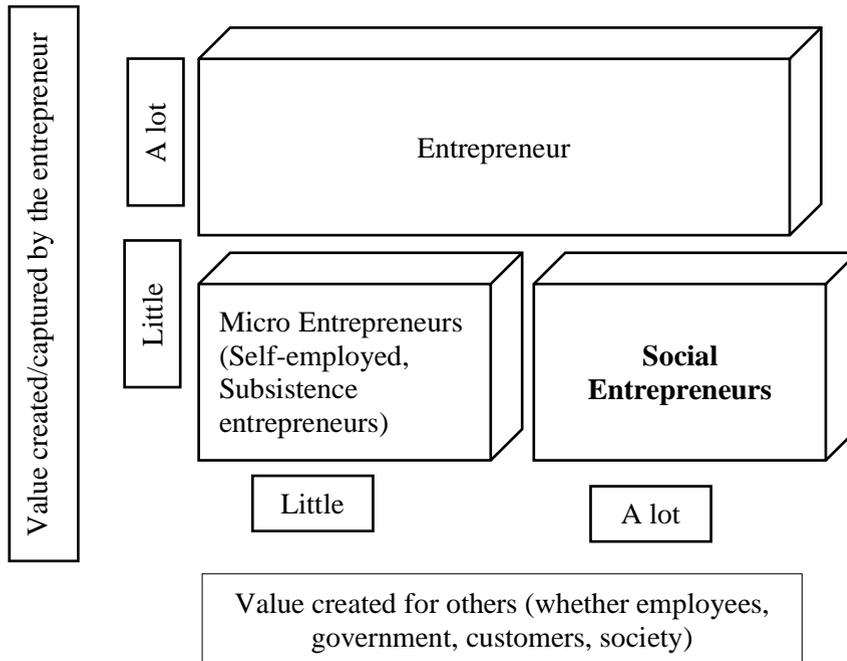
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FIGURES AND TABLES:

Figure 1.1 – Categorizing the impact of entrepreneurial activity



Source: Nadeem Ahmad and Seymour, 2008

Figure 2: Operating a Business or Have Plans to Startup a Business

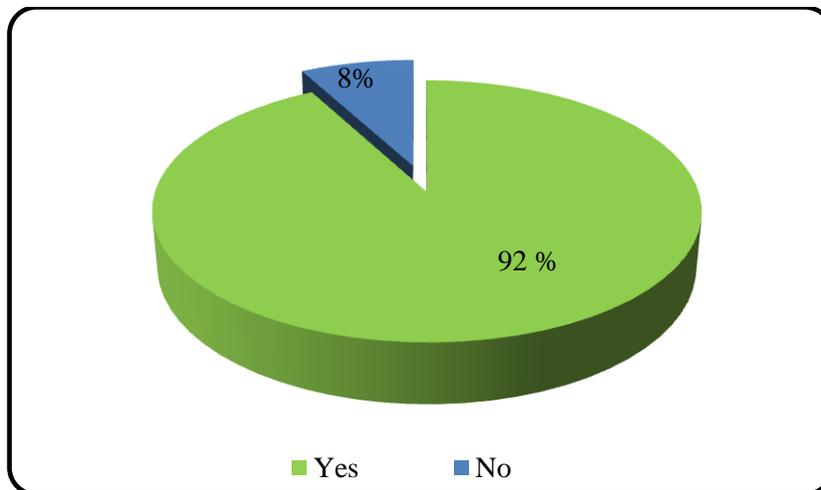
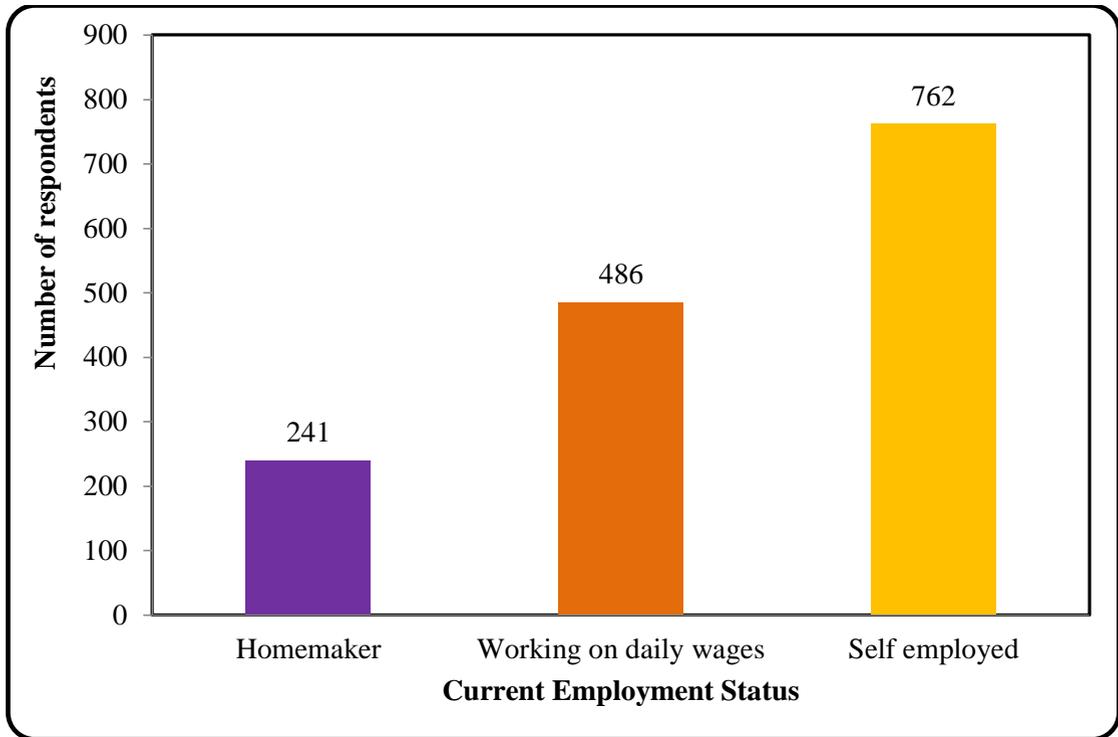


Figure 3: Employment Status of the Respondents



Source: Survey data

Table 1: Nature of business operations of households and number employed

No.	Nature of business	No. of households: 2010	No. of persons employed: 2010	No. of households: 2016	No. of persons employed: 2016
1	Agriculture	614	1189	613	1160
2	Animal Husbandry	467	786	486	791
3	Trading	62	82	71	94
4	Transport	35	37	44	47
5	Manufacturing	7	9	7	10
6	Services	323	533	339	558
7	Sericulture	10	71	61	74
Total		1518	2707	1621	2734

Source: Survey data

Table 2: Occupational shift of households between 2010 and 2016: Paired Samples t-test

	No. of household in 2010	No. of household in 2016
Mean	216.8571429	231.5714286
Variance	62573.80952	60375.95238
No. of lines of business s	7	7
Pearson Correlation	0.997630697	
Hypothesized Mean Difference	0	
df	6	
t Stat	-2.207875182	
P(T<=t) one-tail	0.034672951	
t Critical one-tail	1.943180281	

Source: Survey data

Table 3: Effect of Occupational shift on employment generation between 2010 and 2016: Paired Samples t-test

	No. of persons employed in 2010	No. of persons employed in 2016
Mean	386.7143	390.5714
Variance	213664.2	205240.6
No. of business	7	7
Pearson Correlation	0.999549	
Hypothesized Mean Difference	0	
df	6	
t Stat	-0.6171	
P(T<=t) one-tail	0.279921	
t Critical one-tail	1.94318	

Source: Survey data

Table 4: Purpose of availing Microfinance

Purposes	Responses		Percent of Cases
	N	Percent	
Start a new business	54	3.0%	7.5%
Existing business	89	4.9%	12.4%
Purchase of assets and materials	66	3.6%	9.2%
Education of children	489	27.0%	68.3%
Son/Daughter's marriage	44	2.4%	6.1%
Savings	551	30.4%	77.0%
Repaying existing loan	219	12.1%	30.6%
Repair house	145	8.0%	20.3%
Construct house	157	8.7%	21.9%
Total	1814	100.0%	253.4%

Table 5: Z test for comparing Annual Household Income

Particulars	2016
Proportion using MF for sustenance purposes	0.8848
Proportion using MF for business purposes	0.1152
No. of Observations	1814
Std. Error of the difference between the two means	0.01173
Z	-32.80
