

# Impact Assessment using Path Models of Microentrepreneurs developed by a Business Corporation in India

M. J. Xavier, J. Raja, and S. Usha Nandhini

**Abstract**—For scores of years now, several microfinance organizations, non governmental organizations and other welfare organizations have, with a view to aiding the progress of communities rooted in poverty have been focusing on creating microentrepreneurs, besides taking several other measures. In recent times, business corporations have joined forces to combat poverty by taking up microenterprise development. Hindustan Unilever Limited (HUL), the Indian subsidiary of Unilever Limited exemplifies this through its Project Shakti. The company through the Project creates rural women entrepreneurs by making them direct to home sales distributors of its products in villages that have thus far been ignored by multinational corporations. The members participating in Project Shakti are largely self help group members. The paper focuses on assessing the impact made by the company on the members engaged in Project Shakti. The analysis involves use of quantitative methods to study the effect of Project Shakti on those self help group members engaged in Project Shakti and those not engaged with Project Shakti. Path analysis has been used to study the impact made on those members engaged in Project Shakti. Significant differences were observed on fronts of entrepreneurial development, economic empowerment and social empowerment between members associated with Project Shakti and those not associated with Project Shakti. Path analysis demonstrated that involvement in Project Shakti led to entrepreneurial development resulting in economic empowerment that in turn led to social empowerment and that these three elements independently induced a feeling of privilege in the women for being associated with the Project.

**Keywords**—Entrepreneurship development, economic empowerment, impact assessment, microentrepreneurs, path analysis, social empowerment.

## I. INTRODUCTION

**B**USINESSES have hitherto been demonstrating their concern towards alleviating poverty largely by making one-off contributions by way of charity. Such largesse on its has done precious little to notch those in the lower economic rungs on to higher pedestals. Realisation of this fact has forced a rethink by these corporations. Provision of

sustainable means of livelihood has evolved as their plan of action in combating the specter of poverty. Microfinance organizations, non governmental organizations and welfare organizations around the globe have been focusing on microenterprise development as a means of providing sustainable development of livelihoods. Corporations have of late, in their own way joined forces to create microentrepreneurs. Hindustan Unilever Limited, the Indian subsidiary of Unilever Limited exemplifies this phenomenon through its Project Shakti. The company, through the Project creates rural women entrepreneurs by making them direct to home sales distributors of its products in villages that have thus far been ignored by multinational corporations. This has been done with a view to creating a win-win situation for both the corporation and the microentrepreneur. By directly engaging those at the bottom of the pyramid, in their business process by partnering with them to innovate and achieve sustainable win-win scenarios, the company simultaneously profits and contributes to the development process [1]. These women microentrepreneurs are members of self-help groups formed for microfinance activities by local nongovernmental organizations. The “Shakti Ammas” (“Shakti” means strength in Sanskrit and “Amma” means mother in native languages of southern India, alternatively referred to in this paper as Shakti dealers and Shakti entrepreneurs), as these women are referred to, work as brand ambassadors [2] for the company and sell the products directly to homes in villages. The paper focuses on assessing the impact made by the company on the members engaged in Project Shakti. The analysis involves use of quantitative methods to study the effect of Project Shakti on those self help group members engaged in Project Shakti and those not engaged with Project Shakti. Following a description of the Shakti program, our methods and findings are discussed.

## II. REVIEW OF LITERATURE

### A. Corporate Interventions

Historically, governments, aid agencies, non governmental organizations, large firms and the organized business sector all seem to have reached an implicit agreement: market based solutions cannot lead to poverty reduction and economic development. An introspection of this agreement by the parties concerned has paved the way for an altered course of

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action. In India, agricultural input and processing companies such as EID Parry, fast moving consumer goods companies such as Hindustan Unilever Limited and consumer durable companies such as Philips have begun to recognize the self help groups formed at colossal costs to the government, non governmental organizations and funding agencies as 'owners of demand' [3]. Corporations have and are increasingly banking on the knowledge of the self help group members of local markets for entry to these markets. That there is a huge potential market at the bottom of the pyramid (BOP) is another dimension that has forced a rethink on the approach towards achieving two major goals by corporations: poverty alleviation and business profits. Fresh thought has, therefore flourished to develop access to these markets and sustain these.

Some interventions by corporations for inclusion of those at the bottom of the pyramid include developing distribution channels constituted by these members, making products available to them at affordable levels and by innovating products and services to suit their needs. For example, Avon of Brazil, Bata Shoe Company of Bangladesh and Hindustan Lever Limited in India has developed their own ways of addressing the distribution mechanisms for these markets. Avon is one of the largest cosmetics operations in Brazil and draws its distribution from 800,000 individuals who are distributors to the company and reach even the most remote locations in Amazonia [3]. Bata Shoe Company of Bangladesh reaches remote villages through 1000 women self help group members as suppliers in the country's rural areas [4]. Project Shakti also engages women self help group members to reach to inaccessible rural markets. Some companies have developed schemes to facilitate purchases of goods by the poor and thereby included them in their business transactions. Casas Bahia, the Brazilian retail chain has made its country's economically backward population realize that they can also consume big brands by just being more disciplined in the way they manage their income. 70% of the Casas Bahia customers have been reported to have no formal or consistent income[6].

### *B. Impact Assessment Indicators*

Impact assessment essentially makes contributions towards development goals. It has been described both as an art and science [7]. Impact assessment studies shed light on learning about the nature and magnitude of the effectiveness of the project. These studies help capture several insights which are not captured in routine systems of implementation of a project. These studies enable setting the agenda for future directions. Impact monitoring is particularly important for microenterprise lending made by microfinance institutions especially to those at the low end of the income spectrum as in [8]. If their interventions are not effective or are producing differential outcomes in different client groups, they need to know why.

Some studies on microenterprise development relied only on economic indicators. The impact of project intervention in terms of increased outcomes as the sole indicator and performed a cost benefit analysis to justify intervention in terms of income as in [9]. 'Domains of change' (eg. household income) and the specific 'markers of change' such as amount

of income, number of income sources and seasonality of income, within each domain have been presented in [10]. Certain studies especially those conducted on women subjects, suggested that evaluation on economic and social indicators in isolation is inadequate. It has been suggested suggested that the concept of success in design of microenterprise promotion programs and their evaluation should account for the various socio cultural constraints that limit their economic success and/or aid their success[11]. The same study brought to focus the bearing of cultural dictates on women and the reliance upon these by women to carry out many social roles that made them unwilling to utilize their economic independence to gain power in the household. Several studies [7],[12]-[15] have recommended the house hold economic portfolio model proposed in [16] as being comprehensive in measuring the overall impact since it addresses the impact at household, enterprise, individual and community levels. It has been noted in a study, that the success of microenterprises was determined by not only the economic outcomes but also the empowerment outcomes and their interactions [17]. In the same study, in an evaluation based on an analysis of data from a 1998 study of home-based garment producers in Ahmedabad, India, "value added" and "control over income" were the dependent variables. Value added was measured by calculating by calculating the most and least earned per day for each garment type stitched less monthly input costs and overhead expenses. Control over income was measured by asking who makes decisions about the use of the income the woman earns. Microenterprise development has emerged as a subfield with focus on gender, impact measurement has come to include a complex set of variables such as economic indicators, social indicators and those of empowerment that influence entrepreneurial development and a plethora of subsets of these variables. While extension of impact indicators on various domains have rendered assessments to be more sophisticated and helped establish link to broader developmental goals, it has brought along with it complexity and put high demands on the skills of assessors to make careful judgments on social relations [7].

### III. NEED FOR THE STUDY

Project Shakti comes as one of the early and unique initiatives by Hindustan Unilever Limited, in experimentation of the Bottom of the Pyramid Market Theory to access the markets in the bottom of the pyramid [1]. It was born out of a need to invest for the long run –creation of new markets and dominating them. An observation made by Sehgal Executive Director of the company is as follows:

Shakti is a quintessential win-win initiative and must overcome challenges on a number of fronts. It is a sales and distribution initiative that delivers growth, a communication initiative that builds brands, a micro-enterprise initiative that creates livelihoods, a social initiative that improves the standard of life and catalyzes affluence in rural India. What makes Shakti uniquely scalable and sustainable is the fact that it contributes not only to Hindustan Lever Limited, but also to the community it is a part of [18].

The company has, been rapidly scaling up to include several thousands of Shakti dealers spread across a number of states in India. As no formal study was done on the impact of the women involved in the Project, the current research essentially focused on finding out the factors that impacted the members associated with it. A comparison of how the self help group members engaged in Project Shakti differed from those not engaged with the Project also formed a part of this research.

#### IV. PROJECT SHAKTI

Project Shakti provides the critically needed additional income to these women and their families, by equipping and training them to become an extended arm of the company's operation by its linkage with the self-help groups. The company gets access to the markets in rural areas of India and also to sell its products to markets at the bottom of the pyramid in these areas. Villages with a population of about 2000–3000 are selected. The stage of development of self-help groups, the proximity to rural distributors, and the population are some factors taken into account by the company while selecting a village.

The Project has been designed to reach the population of 500 million in 500,000 remotely located villages in India. These villages also have low business potential and have not been accessed by several large corporations. Fig. 1 indicates the positioning of Project Shakti.

Started in 2001, the Project has expanded to 45,000 women across 15 states with a view to providing them sustainable livelihoods [19]. The respective state governments and several NGOs are actively involved in the initiative. The Project, aside from creating opportunities for rural women to live in improved conditions and with dignity, improves the overall standard of living in their families. In addition, it involves health and hygiene programmes, which help to improve the standard of living of the rural community. Shakti's ambit already covers about 15 million rural population.

Fig. 2 highlights the key players in Project Shakti and their linkages.

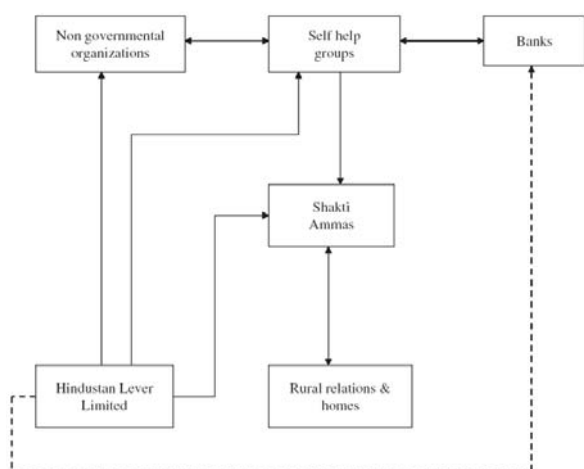


Fig. 2 The key players in Project Shakti

Personnel from Hindustan Unilever Limited approach nongovernmental organizations for meeting with the self help group members formed by them. They present the business concept to the self-help group members during the monthly meeting organized by the nongovernmental organization. Members submit applications indicating their willingness to take up Shakti dealership. Selection of the Shakti Amma, is based on criteria such as her ability to count, read, and write and subjective factors such as enthusiasm and enterprise. Hindustan Unilever Limited vouches for Shakti Ammas with banks at an informal level for credit needs. Only one Shakti entrepreneur is appointed in a village. Villages that are about 2 kilometres apart from her village, termed satellite villages are under her ambit of operation. The Shakti dealer places initial orders worth Rs. 15,000/-<sup>1</sup> and makes payment for her purchases up front. Her initial investment is funded through her own funds, or by borrowing from the group or sometimes from a bank, or even by a combination of these sources. She becomes the principal customer of Hindustan Unilever Limited by making her purchase.

The Shakti dealer, upon her appointment, organizes a “Shakti Day” in the village. The products of the company to be sold by her are displayed. The villagers who visit the exhibition are given free gifts worth Rs.10/- (the gifts are usually a combination of the company's products) and have the opportunity to know of the product variety she has to offer. Shakti Day helps her not only to market her services, but also to gain social identity. The number of visitors on Shakti Day is usually in the range of 50–100.

A Shakti Amma averages sales in the range of Rs. 10,000 to Rs. 15,000 per month. Her earnings differ depending on whom she sells to. This is because the margin on sales to households and retail outlets differs. She gets a margin of 11% of the sales she makes to households and only 3% of the sales she makes to retailers. Special discount schemes offered by the company from time to time supplement her sales earnings. Overall, her gains are between 12% and 15% of the sales.

The Shakti Amma maintains a record of her visits to homes and retail outlets and the corresponding sales she generates in a register provided by the company. The rural sales promoter appointed by the company assists her on these counts. The rural sales promoter also trains the Shakti Amma to target new customers and pursue opportunities for sales to homes and retailers. The rural sales promoter also coordinates supplies from the rural stockist to the Shakti dealer.

#### V. METHODOLOGY

##### A. Sample Selection

The informants were randomly chosen from different districts of Tamil Nadu, a state in the southern part of India, where Project Shakti has been in operation for more than 3 years. Responses were obtained from a total of 12 Shakti Ammas for the first phase of research. In the second phase that involved survey, the researcher selected 258 samples from among the Shakti dealers. Data collection for Shakti dealers was made from villages in 9 districts in the southern state of Tamil Nadu including Coimbatore, Dharmपुरi, Erode,

<sup>1</sup> 1\$ = Rs.40/-

Krishnagiri, Namakkal, Thiruvallur, Tiruchirappalli, Tuticorin and Vellore. 356 members from 5 districts namely Coimbatore, Erode, Madurai, Salem and Tiruchirappalli were randomly selected. The respondents were typically in the age group 25 years to 48 years. The Shakti Ammas chosen were those who had been associated with Project Shakti for a minimum period of 1 year and had been members of self-help groups for a period of at least 2 years. This period was considered adequate for experiential learning among the informants to have taken place.

### B. Methods

In the first phase, narrative analysis was essentially a qualitative research method that is both interpretative and naturalistic [20] was used. A narrative is both a theory and a methodology for interpreting lived experiences captured in stories. The second phase followed, with a survey to obtain quantitative data. Path Analysis method was used for examining complex and multidimensional relationships among variables [21],[22].

The study was conducted in the homes of the informants, a social setting most comfortable to Indian rural women. The interviews ranged from 30 to 90 minutes, the average time being about an hour. The women were asked to speak freely and describe their family background, lifestyles, and daily routines. The researchers broadly guided the process through by raising questions about the informants' association with Project Shakti, the sales generated, and the changes they had experienced as a result of their association with the project at the individual level, the household level, and the community level. The researchers asked specific questions that probed instances that compelled important decisions to be taken by the individual. Shakti Ammas were asked to describe how they related their actions to the community they lived in and about the attitude of the Shakti Ammas toward social aspects of the community. The interviews were audio recorded and transcribed. Constructivism aims to understand and reconstruct the ideas that people, including the researchers, hold and thus helps in achieving dimensions and interpretations [23]. The themes that emerged from the interviews were listed out. Responses were at first obtained from 10 Shakti Ammas. Subsequently, two more Shakti Ammas were included in the sample and no new themes emerged from their interviews. Themes were classified into three major domains, namely, entrepreneurial development, economic empowerment, and social empowerment.

The second phase involving quantitative data collection, two sets of questionnaires were used: for those members associated with Project Shakti category and for those members not associated with Project Shakti, referred to hereinafter as 'Shakti' and 'Non Shakti' categories. The questionnaires sought to examine demographic details of the respondents such as age, number of years of membership with self help groups, leadership positions held in self help groups, occupations and household income.

The apportionment of the income of the Shakti dealers, the channels they operated through were inquired into. Generally, the Shakti dealers sold the products in one or more of the different ways - by making visits to the homes of their

customers, by selling to retail outlets in the village and from their own homes. The Shakti dealers were also asked the prime occupation they were into before their taking up Shakti dealership. The current occupation of the Shakti Ammas, other than that of Shakti dealership was sought and the average income from it was obtained. The total household income of the members was captured through the questionnaire. The apportionment of the income was also sought. Further the apportionment of profits earned through Shakti dealership was also obtained.

The company mandated maintaining a chronological record of the visits made to homes and retail outlets and the items purchased. This served as a means of fallback for the value of sales quoted by the dealers. Profit was calculated as an approximate percentage of the sales value. This percentage was vetted by the rural sales promoter. Sales expenses were approximated to zero because the Shakti Ammas effected sales largely by going on foot or by a bicycle. Some studies suggest inquiry into location of the enterprise to ascertain overhead expenses [24]. The Shakti dealers stocked the inventory in spaces less than three square feet in their homes and therefore the overhead costs were virtually zero. Proxy questions were asked to confirm economic impact, by inquiring into the amount of cash they maintained at hand. Social impact was divided into two parts: empowerment at the household level and empowerment at the societal level. At the household level the individual's independence in decision making for fulfillment of minor expenses, inclusion in the family decision making process and support for entrepreneurial initiatives were inquired into. At the societal level mobility and the initiatives taken to organize welfare activities for the community the woman lived in were sought. These data were substantiated by a proxy question such as whether she travelled for business and whether she took initiatives to meet with the representatives of the villages. Variables reflecting perceptions such as enhanced perception of ability to take lead roles; recognition and respect and entrepreneurial capability in independent conduct of business, familial support for entrepreneurial initiatives, access to income and opportunity to mingle with others and improving transactional relationships [25] were examined. These data were obtained through a five point Likert scale that captured the degrees of agreement and disagreement of members with the constructs.

Face validity of the questionnaires was ensured by conducting a pilot study first and following it up with a discussion with academic experts and the top personnel of the company spearheading Project Shakti. The questionnaire was translated in Tamil (the native language of the state of Tamil Nadu) and administered. The questionnaires were administered by the researchers personally.

## VI. FINDINGS

### A. Qualitative Research Findings

Constructs were extracted from the transcripts of the qualitative interviews conducted with selected Shakti Ammas. The constructs were carefully studied by the researchers along with a couple of Shakti Ammas and selected Shakti officials to develop an affinity diagram indicating the relationships

between the constructs (See Fig. 3). Apart from explaining the linkages between constructs, the figure relates them to three broad domains, viz.: entrepreneurial development, economic empowerment and social empowerment. It is to be noted that the social empowerment has two sub dimensions, viz. social family and social – public.

Statements related to running of the business were put under the entrepreneurship dimension. These statements included (1) I can run a business independently; (2) television advertisements are supportive for my HUL product sales; (3) I am looked upon as a pioneer in introducing the latest products; and (4) I am now a well informed person. The two statements related to economic independence were grouped under economic empowerment, namely (1) These days I do not feel the pinch of cash; and (2) I support my family members through my entrepreneurial initiatives. Statements that connoted respect within family were included under social-family empowerment: (1) I do not have to consult my family members for minor personal decisions; (2) My husband / family members consult me before they take vital decisions; and (3) I do not depend on my family members for meeting small personal expenses.

Statements that highlight respect for the Shakti Ammas in the public domain have been grouped under social-public empowerment. These included: (1) I am confident that I can socialize and speak comfortably in public; (2) I am confident of taking lead roles in public activities; (3) I am capable of opening a bank account and am familiar with banking formalities; (4) I reinvest my profits from Shakti Dealership back to grow my business; and (5) I have ample opportunity to mingle/interact with others

### B. Survey Research Findings

The survey research findings are classified under two broad heads.

- i) Comparison of the Shakti and Non Shakti categories
- ii) Analysis of data relating to Shakti dealers only, using simple percentage analysis and path analysis

#### 1. Comparison of the Shakti and Non Shakti Categories

Table I summarizes the demographic profile of the respondents. Self help group members associated with Project Shakti are categorized as 'Shakti' and those not associated with Project Shakti are termed 'Non Shakti'.

The level of significance assumed was 0.05. In terms of age, education levels and marital status, there was no significant difference between the two categories. In terms of occupation, prior to Shakti dealership, the members of Shakti category differed significantly from the current occupation of non Shakti category. The members of both the categories differed significantly on fronts of average monthly household income, the average number of years of membership in self help groups and leadership positions held by them.

Statements pertaining to eleven variables common to both the Shakti and Non Shakti categories were compared. The p values derived using 't' test are summarized in Table II.

All the variables considered namely confidence to socialize and speak comfortably in public, not having to consult with

family members for minor personal decisions, family members consulting the individual before taking vital decisions, not having to depend on family members for meeting small personal expenses, confidence of taking lead roles in public activities, acknowledgement by people of the village that the individual is a well informed person, ability to run a business independently, support from family members for entrepreneurial initiatives, capability of opening a bank account and familiarity with banking formalities, autonomous access to financial resources recognition of opportunities and possibility to enter into transactional relationships were also found to be significantly different between the two categories.

#### 2. Analysis of Data Relating to Shakti Dealers (Using Percentage Analysis)

Table III summarizes the analysis of variables relating to Shakti dealership such as period of association of members with Project Shakti, the sources of funding for the project, the channels used for sales, the average turnover per month through the Shakti dealership, possession of bank account and the variables relating to impact.

29.46 percent of the respondents had been associated with Shakti dealership for a period of 7 to 12 months. Further, 25.97 percent were associated for a period of 6 months and 43.8 percent of the respondents had been associated with the dealership for a year and above. It was found that, on an average, each Shakti Amma had made an initial investment of Rs.11,350/-. The sources of funding for the investment were from three main categories and combinations of these. The three main categories included: owned funds, bank loans and loans from self help groups. It can also be seen that 45.35 percent of the respondents sold the company's products by approaching customers door to door. 4.65 percent sold directly from home. There were no dealers who sold only to the retail outlets. 50 percent of the respondents used more than one channel for sales. An analysis of monthly turnover revealed that 39.53 percent of the members achieved a monthly turnover in the range Rs. 10,000/- to Rs. 15,000/-. Around 11.63 percent of them achieved a turnover in excess of Rs. 20,000/- a month while 12.4 percent of the members had average turnover of less than Rs.5000/-. 57.75 percent of the respondents had a bank account for themselves after taking up the Shakti dealership, while only about 21.71 percent of the Shakti dealers possessed a bank account prior to Shakti dealership. 20.5 percent of the Shakti dealers did not have a bank account in their own names.

Table IV indicates the percentage of respondent who felt positive changes on eleven impact dimensions.

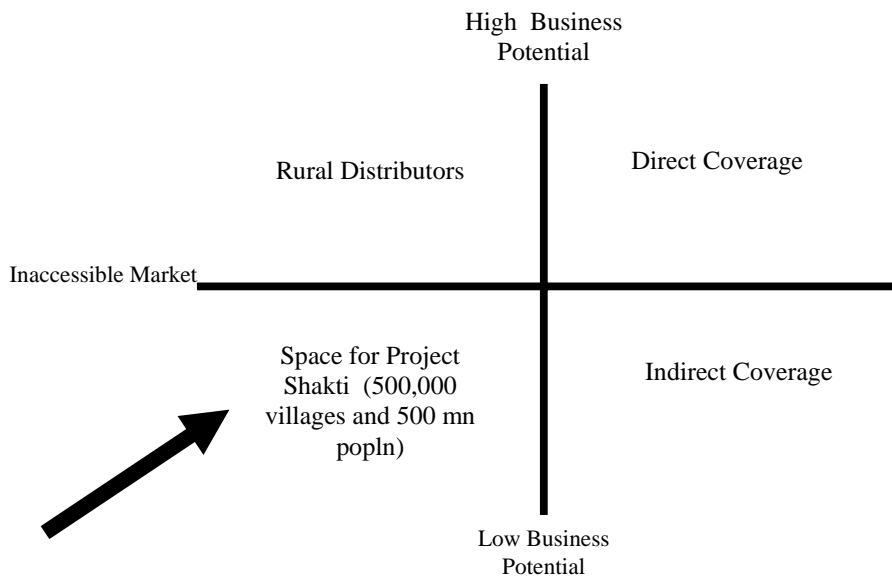


Fig. 1 Positioning of Project Shakti (Adapted from Rangan & Rajan, 2006)

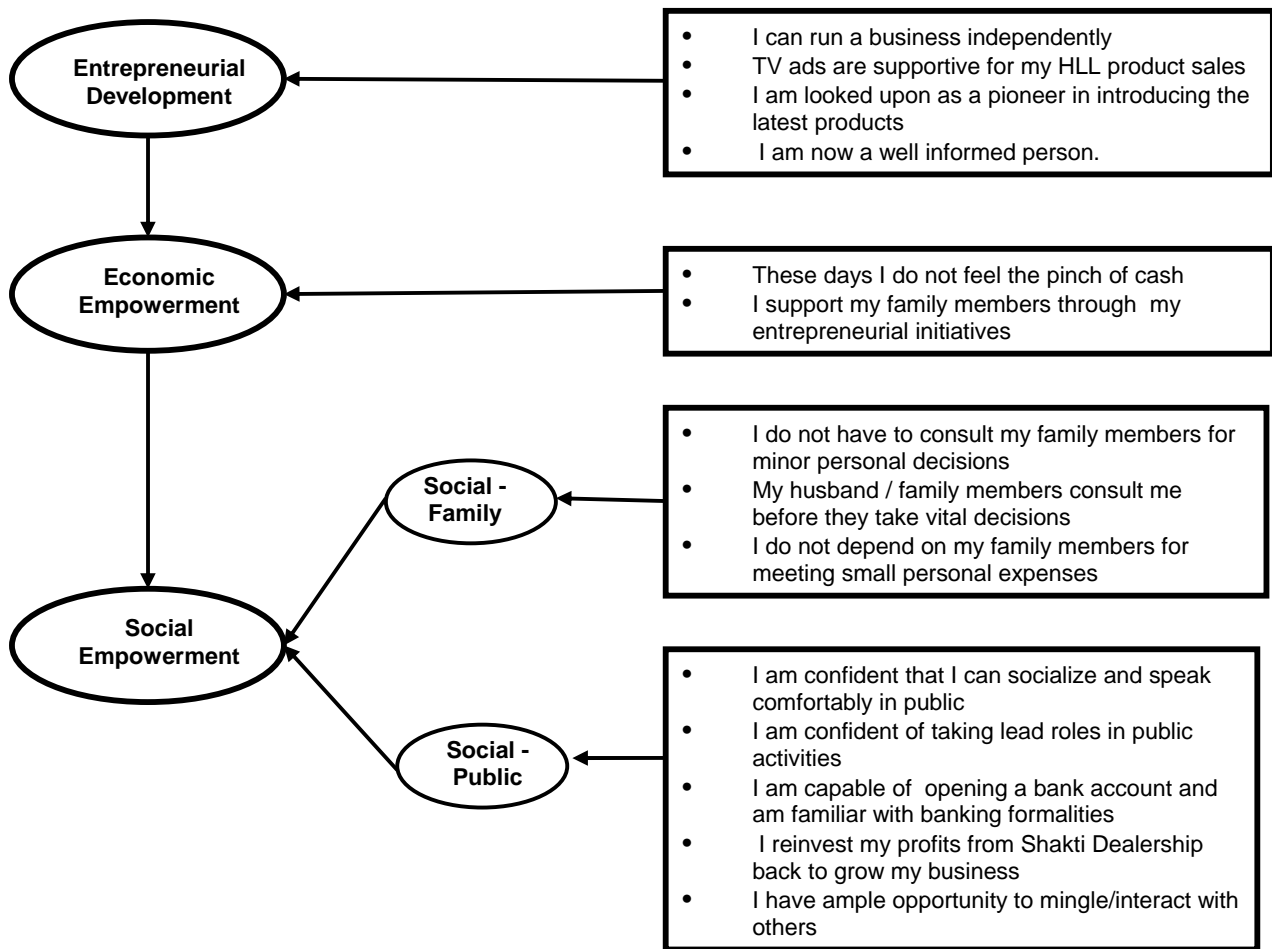


Fig. 3 Integrated Impact Model – Project Shakti

TABLE I  
DEMOGRAPHIC PROFILE OF RESPONDENTS IN THE 'SHAKTI' AND 'NON SHAKTI' CATEGORIES

Variable	Percentage		Significance
	Shakti	Non Shakti	
<i>Age</i>			0.05
<25	7.8	6.0	
25 to 30	24.8	31.2	
31 to 35	20.9	25.5	
36 to 40	20.9	18.1	
41 to 45	15.1	8.5	
Above 45	10.4	10.7	
<i>Education</i>			0.601
Class 8 and below	39.1	36.4	
Class 9-10	36.0	41.4	
Class 11-12	15.5	15.3	
College- Incomplete	1.9	1.1	
College Graduate	7.4	5.8	
<i>Marital Status</i>			0.079
Married	99.2	97.3	
Unmarried	8.0	2.7	
<i>Occupation prior to Shakti dealership</i>			0.000
Grocery Shopowner	10.9	3.0	
Mill Worker	1.2	6.0	
Daily wage earner	7.8	32.1	
Tailoring	15.5	11.0	
Own Business	9.3	7.1	
Agriculture	30.2	23.0	
None	25.2	17.8	
<i>Average Monthly Household Income(Rs.)</i>	4256.32	3572.19	0.001
<i>Membership in self help groups (average in years)</i>	3.3	1.851	0.000
<i>Leadership of members in self help groups</i>	75.2	52.6	0.000

TABLE II  
COMPARISON OF THE SHAKTI AND NON SHAKTI CATEGORIES ON ELEVEN IMPACT VARIABLES

Sl. No.	Dimension	P value
1	Ability to socialize and speak in public	0.005
2	Freedom to take decisions on her own for minor personal needs.	0.001
3	Husband / family members consulting her before taking vital decisions	0.005
4	Self-dependence for personal expenses	0.000
5	Ability to take lead roles in public activities	0.000
6	People in the village acknowledging her as a well informed person	0.000
7	Ability to run business independently	0.000
8	Support from family members for her entrepreneurial Initiatives	0.000
9	Capability of opening a bank account and familiarity with banking formalities	0.000
10	Availability of cash on hand	0.000
11	Opportunity to mingle/interact with others	0.000

TABLE III  
 ASSOCIATION WITH PROJECT SHAKTI, FUNDING AND SALES TURNOVER

Variables	Percentage of respondents
<i>Period of association with Shakti dealership</i>	
6 Months	25.97
7 - 12 months	29.46
1- 1½ years	20.16
1½- 2 years	8.14
More than 2 years	15.50
<i>Sources of funds for initial investment</i>	
Owned Funds	48.84
Bank Loans	22.48
Self help group loan	23.64
Owned Funds and Bank Loans	2.33
Owned Funds and Self help Group loan	1.55
Bank and Self help group loan	1.16
<i>Sales channels used</i>	
Door-to-Door only	45.35
Direct from home only	4.65
Door to door and Direct from Home	7.36
Door to door and Retail outlets	29.46
Direct from home and retail outlets	1.55
All the three channels	11.63
<i>Average Turnover (Rs.)</i>	
< 5000	12.40
5000- 9999	25.19
10000-14999	39.53
15000-19999	11.25
>=20000	11.63
<i>Possession of bank account</i>	
Before taking up Shakti dealership	21.71
After Taking up Shakti dealership	57.75
No Bank account	20.54

TABLE IV  
 PERCENTAGE OF RESPONDENTS EXPERIENCING POSITIVE CHANGE ON ELEVEN IMPACT DIMENSIONS

Sl. No.	Dimension	Percentage of Respondents who experienced positive change
1	Ability to socialize and speak in public	98.45
2	Freedom to take decisions on her own for minor personal needs.	89.53
3	Husband / family members consulting her before taking vital decisions	95.74
4	Self-dependence for personal expenses	76.36
5	Ability to take lead roles in public activities	83.72
6	People in the village acknowledging her as a well informed person	92.64
7	Ability to run business independently	95.35
8	Support from family members for her entrepreneurial Initiatives	96.9
9	Capability of opening a bank account and familiarity with banking formalities	87.98
10	Availability of cash on hand	88.37
11	Opportunity to mingle/interact with others	98.84



The data in Table IV reveals that there were positive changes on various fronts after taking up Shakti dealership. 98.45 percent of the respondents were more confident to socialize and speak in public, 89.53 percent of the members indicated that they had they experienced freedom to take decisions on their own for minor personal needs, 95.74 percent of the respondents indicated that their family members began consulting them before taking vital family decisions and 83.72 percent of the members indicated that the Project enabled them to take lead roles in public activities. 92.64 percent of the members indicated that they were being acknowledged as a well informed person in the village while 95.35 percent of the members indicated that they had been influenced by the Project in enhancing their ability to run business independently. 96.9 percent of members stated that their family was supportive for their entrepreneurial initiatives. About 88.37 percent indicated that they did not feel the pinch of cash and 87.98 percent were capable of opening a bank account and were familiar with banking formalities. However, only 76.36 percent of the members reported that they did not depend on their family members for their personal expenses. 98.84 percent of the women indicated that they had the opportunity to interact with others.

### 3. Analysis of Data Relating to Shakti Dealers (Using Path Models)

In the survey research, respondents were asked to rate the 14 statements used in the Impact Model shown in Fig. 3 using a five point Likert Scale. Additionally the respondents were asked to give their overall rating for their satisfaction with Shakti dealership. Keeping overall satisfaction as the dependent variable, three path models were evaluated before the overall impact model was tested. The first model (shown in Fig. 4) estimates the correlation of the latent variable 'entrepreneurial development' with the overall satisfaction with Shakti project. The model parameters were estimated using AMOS 4.

The standardized path coefficients associated with the 4 variables that define the latent variable are all statistically significant. The statement 'I can run a business independently' has the highest correlation (0.66) with the latent variable 'entrepreneurial development'. Entrepreneurship development has a correlation of 0.64 with overall satisfaction with Shakti Dealership.

The second model (See Fig. 5) estimates the correlation of the latent variable 'economic empowerment' with the overall satisfaction with Shakti project. The statement 'I support my family members through my entrepreneurial initiatives' has a path coefficient of 0.52 and the statement 'I do not feel the pinch of cash' has a coefficient of 0.38 with the latent variable 'economic empowerment'.

The third model (See Fig. 6) estimates the correlation of the latent variable 'social empowerment - family' with the overall satisfaction with Shakti project. It may be noted that we have earlier defined social empowerment in two sub dimensions, family level and public level. The next path model takes into consideration the public level empowerment. The statement 'I do not depend on my family members for meeting small

personal expenses' has the highest path coefficient of 0.76 and the statement 'I do not have to consult my family members for minor personal decisions' has the lowest coefficient of 0.47 with the latent variable 'social empowerment - family'. The correlation between the latent variable 'social - family' and over all satisfaction with Shakti dealership was 0.30.

The fourth model (See Fig. 7) estimates the correlation of the latent variable 'social empowerment - public' with the overall satisfaction with Shakti project. The statement 'I have ample opportunity to mingle/interact with others' has the highest path coefficient of 0.74 and the statement 'I am confident of taking lead roles in public activities' has the lowest coefficient of 0.41 with the latent variable 'social empowerment - public'. The correlation between the latent variable 'social - public' and over all satisfaction with Shakti dealership was 0.68.

Fig. 8 shows the integrated impact model with all the key dimensions. In this model the latent variable 'social empowerment' has been derived from the sub dimensions of family level and public level empowerment. However, it is interesting to note that the path coefficient linking family with social empowerment is only 0.08 while the public-social path has a coefficient of 0.96. This shows that empowerment in the public sphere is contributing primarily to the social empowerment variable.

As hypothesized, entrepreneurial development leads to economic empowerment (path coefficient - 0.37) and that in turn leads to social empowerment (path coefficient - 0.26). As regards contribution to overall satisfaction, the variables in their order of importance are social empowerment (path coefficient - 0.35), entrepreneurial development (path coefficient - 0.25) and economic empowerment (path coefficient - 0.14).

#### i) Fit Statistics

The model fit is assessed at two levels; individual paths and the overall model. Individual paths are evaluated by their path coefficients. The path coefficients are statistically significant as can be seen from Table V.

The overall model fit is evaluated using several parameters, like Normed Fit Index (NFI), Incremental Fit Index (IFI), and Comparative Fit Index (CFI). Table VI gives the values for our model. Ideal fit values are given by the values should be closer to 1.000. The values for the default model indicate that the fit is average. This indicates that there could be other factors that explain the overall pride being a part of Project Shakti.

TABLE VI  
 BASELINE COMPARISONS

Model	NFI Delta1	IFI Delta2	CFI
Default model	.497	.505	.489
Saturated model	1.000	1.000	1.000
Independence model	.000	.000	.000

TABLE V  
 PATH COEFFICIENTS

		Regression Estimate	Standard Error	Critical Ratio	p-value
Economic Empowerment	<-- Entrepreneurial Development	.203	.032	6.427	0.00
Social Empowerment	<-- Social -Public	.335			
Social Empowerment	<-- Social -Family	.038			
Social Empowerment	<-- Economic Empowerment	.223			
Overall, Shakti dealership makes me feel privileged	<-- Entrepreneurial Development	.176	.040	4.370	0.00
Overall, Shakti dealership makes me feel privileged	<-- Economic Empowerment	.180			
Overall, Shakti dealership makes me feel privileged	<-- Social Empowerment	.529			

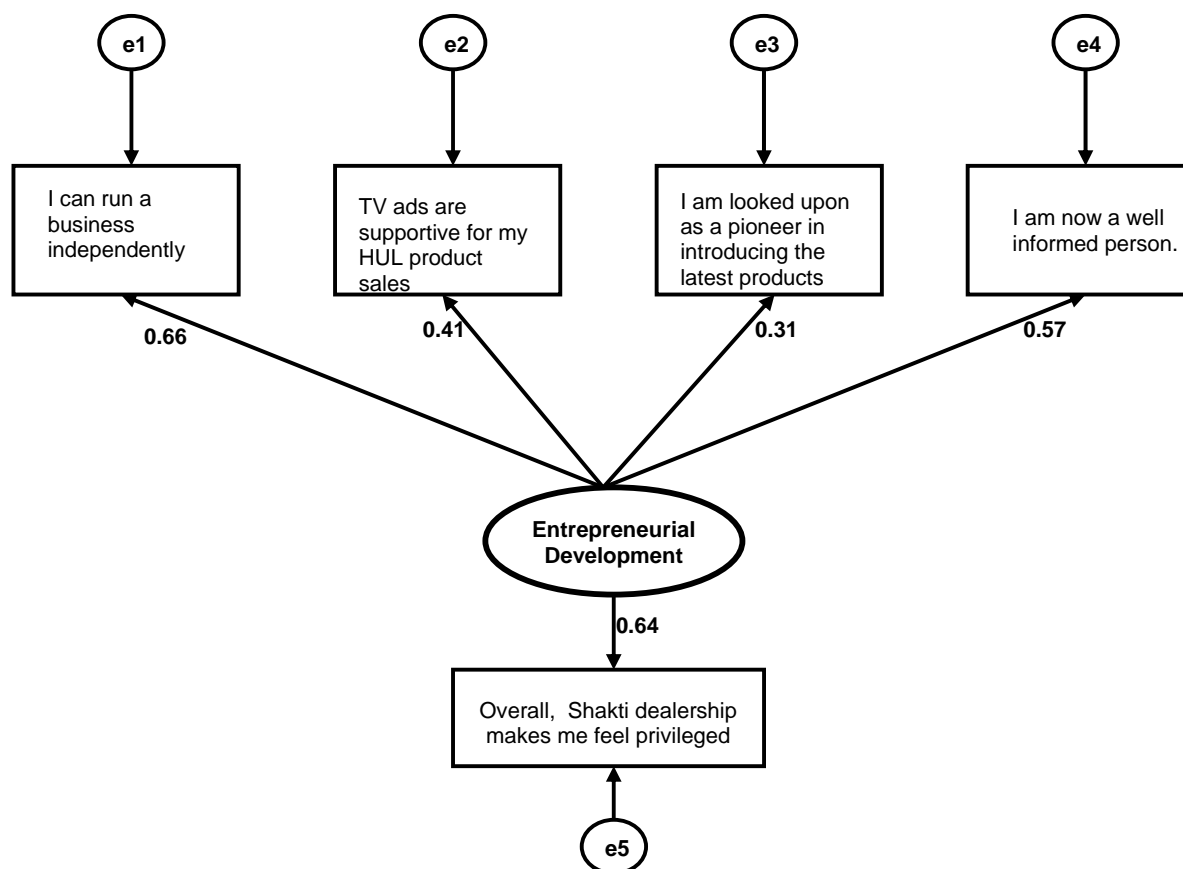


Fig. 4 Path model of Entrepreneurship Development and Overall Satisfaction

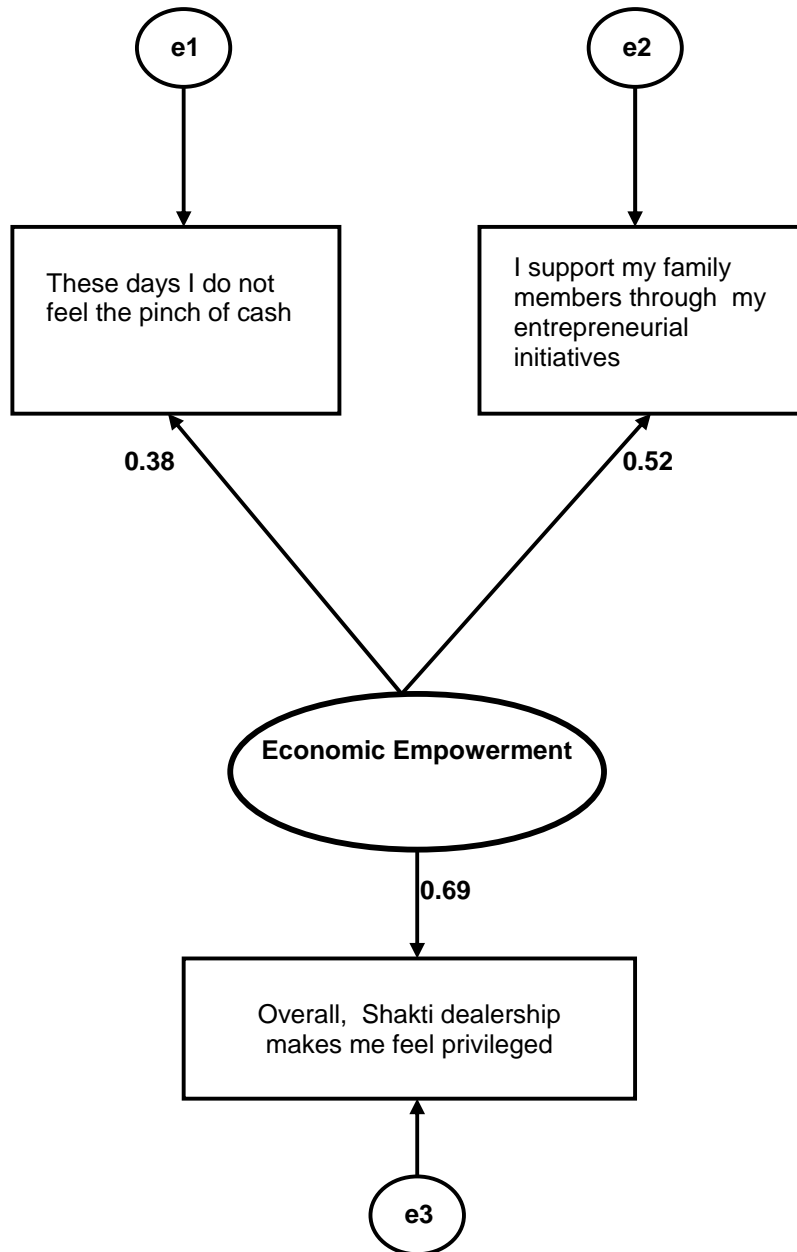


Fig. 5 Path model of economic empowerment and overall satisfaction

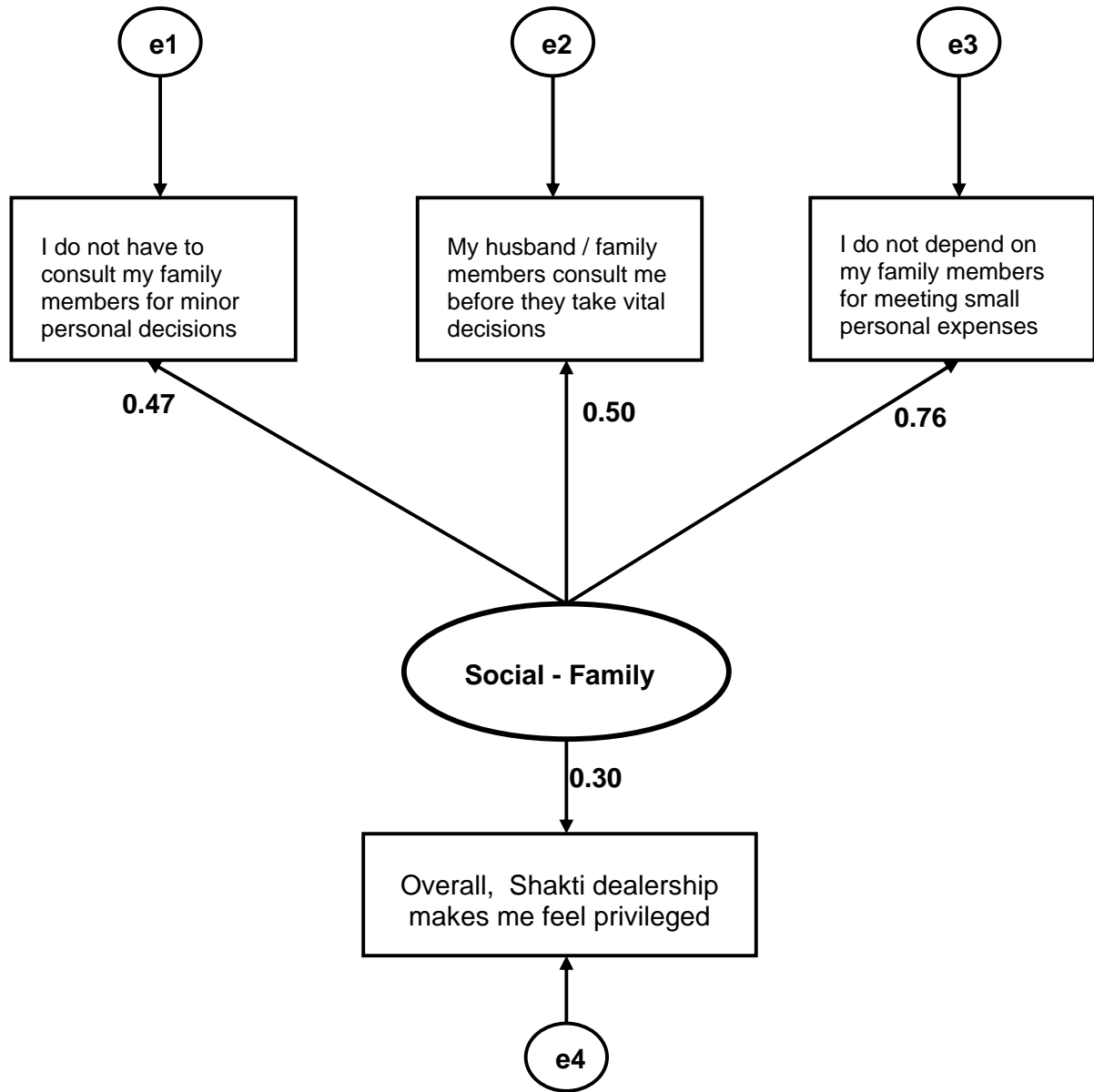


Fig. 6 Path model of Social Empowerment (Family) and Overall Satisfaction

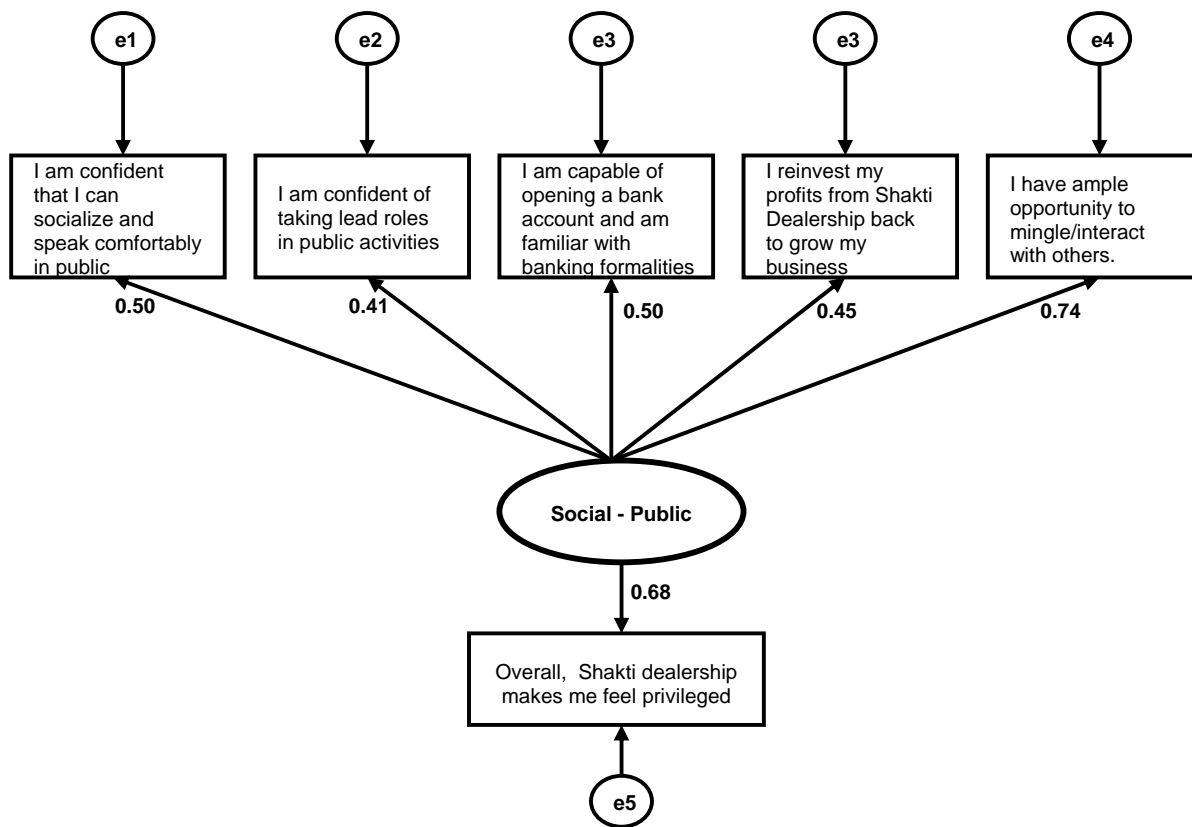


Fig. 7 Path Model of Social Empowerment (Public) and Overall Satisfaction

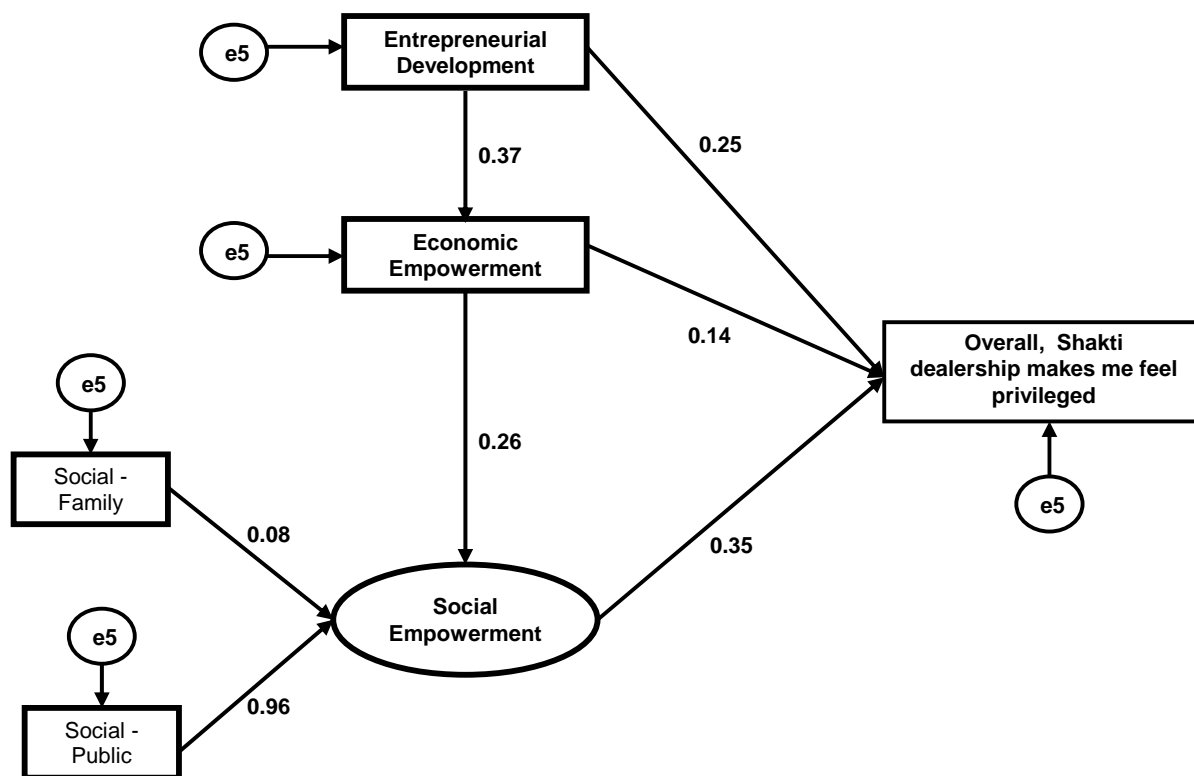


Fig. 8 Integrated impact model

## VII. DISCUSSION

The analyses have several implications for the corporation on two major fronts: business development and establishment of broader developmental goals. The project by Hindustan Unilever Limited has had a very positive impact on Shakti dealers. The Shakti entrepreneurs stood out on all the dimensions considered for the analyses when compared with those in the Non Shakti category. While Project Shakti and other microfinance initiatives are primarily aimed at providing economic empowerment to their participants, it has been found that greatest satisfaction is derived from the dimension of social empowerment. A right blend of the sales objectives with societal objectives such as educating people about general hygiene, arranging free eye camps and so on has had reinforcing effects on this domain. This has resulted in the women entrepreneurs getting recognized in their local communities as opinion leaders.

Support from other family members was found to be essential for success of women entrepreneurs. However support and recognition of family members are not found to substantially add to the overall satisfaction with the entrepreneurial initiative. This may be due to the fact that support from family is taken for granted or considered minimum expected factor for getting started that is peculiar to the Indian context.

## VIII. CONCLUSION

Real upliftment of people in lower rungs of the economic ladder can happen only when the overall standard of living of these people is raised. A raise in the living standards enhances the ability of a community to afford a wider range of products and services, in turn leading to creation of new consumers. Accessing the subsistence markets by corporations with the spirit of initiating development, as has been done by Hindustan Unilever Limited, can be recognized as a first step towards this end. Microenterprise development gives a fillip in this direction. Companies get to better involve themselves intensely with these communities thereby leading to fresh thinking, innovation and better responses with suitable offers of products and services.

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