Chapter - II

CONCEPT AND REVIEW OF LITERATURE
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This chapter is presented in two sections. The first section deals with the definition of the concepts used in this study and the second section deals with the review of related studies.

Section-I
Concepts

The word entrepreneurship appeared first in French, in the early 16th Century. Men engaged in leading Military expeditions were referred to as 'Entrepreneurs'. Around 17th Century the term was used for architects and contractors of public works. Then in the 18th Century Richard Cantillan defined entrepreneurs as anybody engaged in economic activity. He also emphasized the functions of risk bearing and uncertainly bearing. In 1815 J.B. Say added the functions of organizing co-ordinating and supervising activities of enterprise as function of an entrepreneur.

Entrepreneurship

Entrepreneurship is a purposeful activity indulged in initiating, promoting and maintaining economic activities for the production and distribution of wealth. The individual as an entrepreneur is a critical factor in economic development and an integral part of socio-economic transformation. Therefore, the basic concept of entrepreneurship is, an urge to take risk in the face of uncertainties. Entrepreneurship as an economic activity emerges and functions in sociological and cultural settings.
The entrepreneur in this context is defined as one who could start a new activity or a new enterprise which is a deviation from his traditional family occupation or profession. Entrepreneurship can also be thought of as a creative activity. The entrepreneur is an innovator who introduces something new into the economy.

**Entrepreneur**

Some people work for other hand some are self-employed. The people who work for themselves are called “Entrepreneurs”. The word entrepreneur is derived from French word “Entrepreneur” meaning to “undertake”. The entrepreneur is thus a person who organizes and manages an activity/organization, undertaking the risk for fulfilling some of his needs.

**Women Entrepreneur**

According to Schumpeter an entrepreneur is one who introduces something new into the economy. In the Indian context, entrepreneur is more an adopter or “initiator” than a true innovator. Therefore any women who initiates, innovates or adapts an economic activity may be called as a woman entrepreneur. Woman entrepreneur in this study refers to the woman who is responsible for the existence of an industrial enterprise.

**Women Enterprises**

Government of India defines women enterprises as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital giving at least 51 per cent of the employment to women. This definition has been criticized for underlining to give 50 per cent of employment to women. As a result a
new definition has been evolved later in 1992. As per the new definition given in February, 1992, women enterprise is defined as “a small scale industrial unit/industry related services, or business enterprise, named by one or more women entrepreneurs in proprietary concerns in which she/they will individually or jointly have given capital of not less than 51 per cent as partners/share holders/directors of private limited company/members of co-operative society”.

Classification of Entrepreneurs

The entrepreneurs are generally, taken to opportunities either by pull or push factors. Under the “pull” category, women are motivated on their own but in the latter case, they are mostly forced to take up such activities. V. G. Patel (1998) has brought out three categories of entrepreneurs.

a. **Chance Entrepreneurs**: Where they went into business without any preparation, clear goals or plans.

b. **Forced Entrepreneurs**: Compelled by circumstances such as death of husband or father with responsibilities falling on them to take over the existing business.

c. **Created entrepreneurs**: Located, motivated, encouraged and developed through Entrepreneurship Development Programmes (EDPs) as a part of a strategy to develop women as competent entrepreneurs.

The first two categories of entrepreneurs may be due to the push factors and the last one is due to pull factor. It is the last category namely “created entrepreneurs” who are needed to strengthen the base of women entrepreneurship. When it is taken sector-wise such as manufacturing, trade and business, and service, majority of the women are found in service categories followed by trade and business. It is very rare
to find women in manufacturing. This may be due to the risk aversion or the cultural binding that they have to look after the family primarily and so it may be easy to involve themselves in trade or service as a secondary responsibility rather than manufacturing which requires more time and management. But this has to be changed and manufacturing must also be concentrated by women entrepreneurs.

**Rural Women Entrepreneurs**

Rural women entrepreneurs are entrepreneurs in rural areas either self-employed or involved in some cottage based industrial production. There is sufficient entrepreneurial potential among rural women and they need proper environment to utilize their entrepreneurial capabilities. They are already entrepreneurs as far as their household management is concerned. It is observed from other studies that women entrepreneurs are mostly engaged in traditional nature of industrial activities in rural areas. Recently large number of women folk in rural areas are increasingly participating in self-employment activities which are micro enterprise in nature. The recent concept of self-help group is also gaining momentum, which lays the foundation for becoming entrepreneurs. The young and unmarried girls are not encouraged to work independently especially in self-employment, as there is uncertainty as to whether they will continue in such activity after marriage. Hence most of the girls after school education stay back and hardly few take up training activities such as tailoring, etc and others just look after household duties. Hence, there is a need for skill training and also on the management of the units for this group. Jayati Ghosh (1999) held that a women’s thrift co-operative scheme in Andhra Pradesh, comes out very strongly when they are compared with men’s thrift co-
operative which are supported by the same organization in the region, which have been less impressive, not only in terms of involvement and commitment of members but also in terms of the social changes brought about. These co-operatives emphasize thrift rather than credit and are wholly self-reliant resources.

**Urban Women Entrepreneurs**

The educated and middle class women in urban areas find sufficient time after household work, and hence wish to engage themselves in some self-employment activities, which could be done at home without affecting their usual chores. There is another category of women who are better educated, even technically qualified particularly in the modern information technology and they are also increasingly taking up entrepreneurial ventures. In urban areas women are assuming entrepreneurial role in modern, hi-tech and non-conventional industrial areas such as consultancy, marketing, advertising, manufacturing, garments, exporting, interior decorations, beauty clinic, handicrafts, textile printing, food processing and above all information technology enabled services like software development, medical transcriptions, internet browsing, call centers, computer centres, electronic publishing etc. Hence, entrepreneurship is no longer only the men’s domain rather the sources are wide spread. Women are equally successful as men and hence one does not have to debate as to whether women can become entrepreneurs. But there is need to study the constraints that the women face, mainly concerning the conflict of business and household responsibilities, which are not present for their male counterparts.
Entrepreneurship Development Programme (EDP)

Considering the difficulties that the entrepreneurs face in general, and women in particular, the concept of EDP was conceived which addresses the above constraints that the entrepreneurs face in starting an enterprise. Entrepreneurship through training interventions is becoming increasingly popular in developed countries too. Today over 300 Colleges and Universities in the US offer courses in entrepreneurial education. Experience of Entrepreneurship Development Programme (EDPs) in India have proved successful in certain areas going by the indicators of percentage of successful entrepreneurs as well as the emergence of women entrepreneurs in non-traditional nature of industries requiring lot of managerial skill.

Type of Activities Undertaken by Women Entrepreneurs

There exists congenial climate for women entrepreneurship in the countries, which stand at the threshold of industrialization. In these countries capital is scarce, investors are cautions, markets, are severely limited because of the low purchasing power, and the entrepreneurs are inexperienced. There are the sound reasons for the promotion of self-employment. With the spread of education and the new awareness, women entrepreneurs are shifted from the extended kitchen activities and traditional cottage industries to the higher levels of activities. Women entrepreneurs can generally undertake three types of work 1. Operate purely as a sub contractor on raw materials provided by the customer 2. Manufacture an item to the long or short-term order of another enterprise, usually a large scale enterprise 3. Generally, undertake both the subcontracting enterprises and market. The goods produced by women
entrepreneurs consist of those, which are used in the manufacture of other articles and those which are directly consumed.

**Micro Enterprises**

Micro enterprise is defined in this study as an enterprise with an investment ranging from Rs. 10,000 to 1 lakh. The investment limit may vary from one area to another area. The micro entrepreneurs are those who run such micro enterprises. They may be either self-employed or appoint labourers and manage the enterprise.
In this section, review of related studies on entrepreneurship in general and women entrepreneurship in particular are reviewed to understand the research background of the subject and their recommendation.

Characteristics of Women Entrepreneurs

There are numerous studies done at the international national regional levels, highlighting the characteristics of women entrepreneurs. There are reviewed below.

The women entrepreneurs share some similarities in personality, motivation, education and family background. N.C. Pillai, Anna.V and Vimla Metha (1990) in their study on women entrepreneurs of Kerala found that industrial entrepreneurship among the women in Kerala emerged from varied socio economic, educational and cultural backgrounds. He found that Christian women did better. The occupational background of father/husband provides an environment favorable to the growth of entrepreneurship among women. The special assistance given to educated women has motivated better Majority of them have hailed from labour or middle income groups and their financial backwardness hinders the expansion and modernization of the units.

N.P. Singh (1986) on Delhi Women Entrepreneurs, Kohli Chandra (1997) on beneficiaries of National Alliance for Young Entrepreneurs in Delhi, Kamala Singh (1992) on Haryana Women Entrepreneurs, Shah (1995) and other studies in different parts of India revealed certain diverse characteristics of women entrepreneurs. It is found that the women entrepreneurs are both from business and non- business
background who engage in both traditional and modern entrepreneurial activities. Unlike the general belief that women entrepreneurs choose only feminine nature of products, these studies have found that the women entrepreneurs are found in manufacturing and service industries of both feminine and non-feminine nature of products. Women entrepreneurs did not face any financial problems and they are found with and without formal training. There is any conflict absolutely with enterprise and family, the women are much concerned with expansion, diversification and modernization.

N. Gangadhara Rao, S.G. Bhunusali and MC. Gupta (1997) showed that highlights the community background of entrepreneurs in various parts of the country in determining entrepreneurial growth. According to them, Naidus, Brahmins and Chettiar owned more than 78 per cent medium scale engineering units in the cities of Madras and Coimbatore. Muslim run 56 per cent of the small industrial units in Hyderabad. In Delhi, Ludhiana and Rajkot, majority of the manufacturers were Jains, Vaisyas, Aroras and Banias. Mahisyas of Howrah, owned 65 per cent of the small engineering establishments. Patels of Gujarat formed the largest group of entrepreneurs in Anand Taluka of Kheda district. In Kerala Muslims, Nairs and Christians owned 50 per cent of the small enterprises, the Christians being 22 per cent of the total population. In coastal region of Andhra Pradesh, 73.5 percentage of the entrepreneurs belonged to Vaisyas, Ammas and Brahmins, Vaisyas who was traditionally traders in almost all parts of the country.

A. Umesh Samuel (2000) found in a comparative study on male and female entrepreneurs in Tiruchirappalli that they differ from their values in dimensions of
leadership, time, achievement, work money, competition and change. But they do not
differ in respect of family, religion and independence. It is found that male
entrepreneurs have higher level of security feeling than female entrepreneurs whereas
female entrepreneurs perceive higher level of job satisfaction than male. They
suggested to have a separate course on entrepreneurs his for female entrepreneurs

Chidambaram and Thenmozhi (1998) conducted a study with 300 women
entrepreneurs in Coimbatore district of Tamil Nadu and found that the women
entrepreneur suffer from several constraints including self, socio, psycho, spheres,
resource and support systems. They identified the foremost constraints in each of the
above categories including excessive tension and challenges, lack of knowledge about
the existing schemes at the government levels, poor change of mobility of women,
technological, backwardness limited working capital (financial), target oriented
approach and lack of promotional activities as the constraints lack of support system
and its inefficiency were found to be the fore most constraints.

Harsha Kirve and Ajit Karitkar (1993) found in their study that the
tailoring women who were the beneficiaries of the rural development schemes used
the skill of tailoring as an off-season activity who were given assistance to buy sewing
machines. Many of the parents did not get the sewing machine for their daughters, as
there has been a gender discrimination of investment on girls for the reasons that the
girls’ education will not bring return to the family. However, they held that the
income generation activities can be equally treated as entrepreneurial activities.

Chandra Poojary and Promila Kapur (1996) while analysing the
effectiveness of the EDPs in creating entrepreneurs particularly first generation
entrepreneurs underlined that the start up rate of EDP is quite low but on the job experience had contributed positively which compare well with G.Papanek’s finding that the entrepreneurs from traditional and business communities though had a little education they had always been remarkable with fine business education in their family enterprises.

Tishkov and N.J. Usha Rao (1993) held that women have to work harder to get the same position and recognition and that career moves are interpreted differently for women. When women enter into higher position, they find it difficult to manage the male counterparts and subordinates. Male managers are found to comment publicly on the physical structure of the women managers in the public meeting, without facing any adverse consequences.

Kathleen R. Allen and Bennet (1997) analysed the women and men– owned businesses and raised the question why the women business size lag behind men, measured by sales and income, She found that having access to financial aspects of the business overwhelm the effects of the entrepreneurs life intention or choice, on their chances for having large businesses.

Hisrich and Brush (1983), Laviue (1987), Warkins and Watkins (1984), Goffee and Scace (1985) emphasized on the continuous existence of women in business and suggested that it is more difficult for women to start and be in business due to (i) lack of previous opportunity to develop business skill, (ii) expectations about entrepreneurship and women that influence the granting of business credit and (iii) domestic responsibilities. They concluded that female entrepreneurs work with a
fair income, they underlined the need for flexibility that has not been found among the male entrepreneurs.

**Kishor C. Samal and Carin Holmquist (1997)** classified entrepreneurial activities the informal sector into three categories. In a micro business, which is managed by only one person who is the owner entrepreneur. The petty producer unit is one in which the owner entrepreneur works along with the paid and unpaid family labourers in the establishment, the total number of employees being ten or less. There are no wage labourers. The small capitalist producer firm is a unit where the owner employs wage labourers in small numbers. The total employees, including the owner operator, paid/unpaid family labour, wageworkers are ten or less. They derived that the women entrepreneurs in the informal sector are in this scale and size only.

**L.N. Dahiya (2000)** held that woman participation in economic activities in India is not very encouraging when seen in just position to their counterparts in developed nations of the world. During the last two decades, the trend of feminization of work force is in sight, but it is doubtful whether it has led to women empowerment. Women’s share in self-employment is not only very low but it is dominated overwhelmingly in the unorganized sector. Presently, a trend is visible in India where more and more women are venturing as entrepreneurs in all kinds of activities. This is due to pull and push factors. Women are fast coming out of the web of traditional values and activities to a higher level of non-traditional entrepreneurial activities.

**B.S. Rathore and Rama Chhabra (1991)** explains that in rural areas where agriculture is the prominent activity, agro based industries like food preservation, bakery, dairy, poultry can be taken up by women. They have been helping men in all
these activities without getting any credit or money. Technical department can train girls and encourage them towards self-employment. In urban parts apart from teaching, nursing and other traditional occupations, there are many, new areas where women can start on their own, that will enable women entrepreneurs to enter the mainstream of the country’s economy, which in turn will speed up the economic development of our country.

**Jyotsna Sethi and Anjali Mehta (1994)** explains that women entrepreneurship appears to be a recent phenomenon, which came on the scene in the 70’s but showed a real spurt in the eighties, especially in the latter half of the decade. Around 73 per cent of the women entrepreneurs launched their enterprises in the 80’s and this trend appears to continue in the 90’s. The general recognition of entrepreneurship as a quick route to socio-economic development by planners, the declaration of the International decade of women (1975-85) and the setting up of a separate Ministry for Women and Child Welfare in 1985, all gave a spurt to women entrepreneurship during this period.

**Carin Holmquist (1997)** held that there are different opinions as to how women’s entrepreneurship should be treated theoretically. One perspective maintains that gender theory is necessary to understand the phenomenon. Another perspective maintains that entrepreneurship is the important matter and that differences and/or similarities between women and men should be considered in conventional theories in the field of entrepreneurship. Another conclusion suggests that women entrepreneurs should not be treated as a homogeneous group. It is believed, as some quarters state, that there are differences and similarities between women and men entrepreneurs.
The gendered nature of entrepreneurship is an argument for integrating knowledge of women entrepreneurship into small business and entrepreneurship theory.

Robert D. Hisrich, Gyulafiiolop and Poveaty Ridden (1997) made systematic investigation of women entrepreneurs and family business in Hungary and shed lights on the similarities and differences of women entrepreneurs, particularly those in a non-OECD country context. The variation in social structure affects the nature of women entrepreneurs and their family businesses. Women entrepreneurs in Hungary feel that they had both expertise and knowledge on running a business and differed from their counterparts in developed countries. Social structures, work, family and organised social life are likely to affect motivations and human capital influences of women entrepreneurs and family businesses, particularly in countries like Hungary and with transition economies. The government and society of Hungry, must address some fundamental issues concerning women entrepreneurs and women in the workforce.

John Breen, Cherylcalvert and Oliver (1995) explains that the characteristics of the female entrepreneurs identified in this survey were consistent with previous research both in Australia and overseas. This consistency will encourage greater credibility for the findings particularly in the area of access to finance where there is little previous research. The women surveyed had no difficulty in obtaining finance or where there was a long standing banking relationship or where there were significant personal assets security for the lender in the form of personal assets was considered more important than business performance. The combination of family and business commitments appear to hinder women in their business
pursuits. A significant group of women in the study either had no children or had grown up facilities. This in effect decreased the like hood for family demands to conflict with business pursuits.

G. T. Govindappa and M.C Gupta (1999) explained that the rural women to emerge as entrepreneurs as an individual rural woman is not equipped with any skill, knowledge, education and information. The kind of socialization she receives from childhood denies her the traits such as confidence, need for achievement, intimation to take risk, independent outlook which are essential for entrepreneurship. Along with these unfavorable factors, rural women face social and technological risks. Strategy for development of entrepreneurship among rural women should address all these aspects. There are specific programmes of entrepreneurship development for different sections of the society. But the importance given to rural women is negligible.

There have been several studies providing insight into female entrepreneurs in Australia. Williams (1987) reported that women generally establish smaller businesses than their male counterparts because they rely more heavily on private funding from their personal savings or from family and friends. These findings were supported by Still and Guerin (1990) as cited by MacDiarmid and Thomson (1991).

Alexei Izyumov and Irina Razumnova (2000) found that in the newly created private sector of the Russian economy, female entrepreneurs operate under conditions of adversity. Most of this adversity is not female specific but rather related to small business sector situation in Russia in general. The business subject in which such aspiring entrepreneurs are most interested include the tasks of entrepreneurship,
business law, accounting and financial analysis. It was suggested that entrepreneurial training for Russian women should not be limited to the traditional spheres of small business. Western countries providing economic assistance to Russia should expand programmes that focus on female entrepreneurship.

**Helen Appleton and Sathish Taneja (1994)** emphasized that the technical capacity is an important indicator of enterprise strengthening potential, which is demonstrated in different ways for men and women. Small enterprises technical programmes need explicitly to recognize and support this capacity by the training on understanding of the different ways in which women adapt technologies in all aspects of their lives, and a recognition of women’s technical skill particularly may be displayed in area traditionally regarded as non-technical. Understanding technical capacity demands a broader view of both technical and non-technical innovation of recognition of the existence and possible relevance of non-hardware position. Such factor inequality of status or position, which mean that certain groups are able to gain access to or to influence technological processes, they likely to be recognized as having technological knowledge.

**Vivek Deolankar, A.G. Prasad and T. Venkateswara Rao (1993)** shows that entrepreneurship has been recognized as an essential ingredient of economic development. In the course of the field survey, attempt was made to understand the background of entrepreneurs and their attitude towards the growth and modernization of their units. It is difficult to stimulate entrepreneurship among the people in the back ward, rural women and tribal areas, and much more difficult to sustain their
interest. The main drive in the case of another group of 148 or 28.03 per cent of entrepreneurs was a strong desire for independence and freedom.

**Madan Tinani, D.R. Agarwal and Chandra Singh (1995)** observed that the women who ventured into business primarily to keep themselves busy and to fulfill their ambition. It is also found that a majority of women were married 85.5 percentage. They were mostly between the ages of 36-45 years 56.2 percentage. Most of them 81.7 percentage had children above the age of 10 years. They have shown a preference for being their own bosses. Their composition showed that they preferred manufacturing enterprises (66.6%) as compared to service industry (18.8%) and trading (14.6%).

**Irmgard Nubler and Richard P. Taub and Daris L. Taub (1996)** attempted to discover whether investment in training of women micro entrepreneurship is a worthwhile activity. There are different answers to all these questions and that there is little evidence from expert evaluations as to the most effective instruments. Consequently, Nubler’s study sought to ‘shed’ light on the impact, benefits and costs, to gain evidence of the effectiveness and efficiency of micro enterprises development programmes. Nubler also argues that what had once been perceived as problems of capital were now reassessed by the participants as issues of managerial deficiency.

**Mira Savara (1997)** held that time, most organization chose to work at a lower level of risk, taking on work on a contract basis from contractors, government institutions or companies. Under this putting-out system the women’s organization basically provided labour and did not have to worry about finding a market. The Mahila Mandals may offer a better alternative if the wage rates are similar, because of
the other organizational support especially funding from national and international organization, centralization, the workplace, and better supervision. One of the drawbacks, it seems, in this work is that if the organization is not run in a truly democratic manner so that the women have real membership and control of decision making, the women will see the Mandal only as means of getting work.

**Resia Beegam and M. Sarngadharan (1998)** showed that women of Kerala have some unique feature compared to their counterparts in other states. On the entrepreneurial front, the number of women entrepreneurs has increased from 73 in 1978 to 4190 in 1993 and this steady increase is really felt in the states economy. Women industrial unit are defined as units owned/organized and run by women, and engaged in small scale and cottage industries with not less than 80 per cent of the total workers as women. Though the entry of women in the entrepreneurial field is a recent phenomenon in the state of Kerala, they have been attracting the attention of policy makers and government department by their excellent performance. The growth of industrial units set up by women entrepreneurs is not only in number, but in nature of units owned also. Women entrepreneurs in Kerala have started owning chemical units, engineering units, and computer services centres. This calls for identification of opportunities for women with more avenues for self-employment, and a conscious effort towards development of women entrepreneurship.

**Stanley Cromie (1996)** explains that entrepreneurship is a special occupation in that there are no formal selectors and in their absence neither the men not the women in this study appear to have conducted objective appraisals of their entrepreneurial talents. However, while both sexes are hoping for economic reward
from proprietorship money is more important to men. For example, one group of
female proprietors in this study was creating self-employed enterprises to work from
home. Given that the women in the sample possess similar entrepreneurial drives to
men, it is incumbent upon bankers and small business agents to treat female
entrepreneurs with the same seriousness as their male counterparts. There is sample
evidence from our data that women face serious economic and organisational
subordination and that they increasingly see business proprietorship as a way out for
their difficulties. Owners and managers of organizations would hardly allow
interventions, which would entice some of their staff-dissatisfied though they might
be – away from their organization.

K. Sundar and J. Gopu (2000) observed that women in traditional societies
are still confined to four walls of home, kitchen children and family rituals. Such
orientation and role prescriptions inhibit the development of self-confidence,
innovativeness, achievement, motivation and risk taking ability, which are essential
for an entrepreneur career. A woman entrepreneur should be highly sensitive to
changes, she should have the ability to plan and anticipate changes in the economy.
Successful women in the field of entrepreneurship have to help other women in
starting and sustaining in their business whole heartedly. Promotions of women
entrepreneurship as an important and valued component has to be taken care of
women have the potential and will to establish and manage enterprises of; their own.
With the right assistance from varied groups mentioned above, they can join the
mainstream of national economy and thereby contribute to the economic programme.
Zapalska (1997) explains that characteristics of Russian women entrepreneurs generally is parallel that of women entrepreneurs in Eastern Europe (NFWBO). The average Russian women business owner is married, has children, and is 43 years old. According to a recent study, 24% of the Russian women entrepreneurs are under the age of 37%, between the age of 35 and 40, and 35 are over 45. Russian women entrepreneurs possess higher than average educational levels, with 79% having a college degree (NFWOB, 1998). Approximately of the Russian women entrepreneurs are former engineers, research scientists, or educators, and 15% had the equivalent of a Ph.D.

Gladys L. Symons (1990) shows that although there are no similarities between men’s and women’s experience as both managers and entrepreneurs, it is inappropriate to ignore women’s particular experience by subsuming it within the male model. Professional male managers surely encounter difficulties, but not the recruitment problems faced by women. Recent studies have shown female entrepreneurs to have qualities similar to those of male entrepreneurs. Women must first and foremost situate themselves with respect to men. Women in business have been both hidden and silenced by male models of career and masculine stereotypes of managers and entrepreneurs.

Venkatapathy (1987) Venkatapathy (1989) Venkatapathy (1998) showed reported that the attitude towards women as managers has a moderate range of support, were most of the responses fall in between 20 of the normal distribution. They have compared mean pioneering management institutions and 32 female graduates of a recently started management institution situated in an urban centre.
D. Souza, Lena (1990) held that entrepreneurial skills among women could be developed so that they are integrated into a development process hastened with the liberalisation of the economy.

Dhulasi Birundha (1996) shows that in order to judge the effectiveness of the training entrepreneurs, 50, trainee of Centre for Entrepreneurs Development, Madurai was interviewed and found that success rate and areas where training has helped in self improvement, knowledge in business, new lines of production, knowledge in business marketing and self improvement. The study underlined the problems faced by entrepreneurs under finance, marketing, labour and lack of information.

N. Manimekalai (1999) shows that in Tamil Nadu, according to the various unpublished works done in various institutions it is revealed that the women entrepreneurs are mostly either self-employed in trade and service industries. Only few cities like Chennai, Madurai and Coimbatore, certain amount of manufacturing enterprises are run by female entrepreneurs. In other cities either the women entrepreneurship is absent or scarcely found.

Jagadesh S. Hanamashetti and Ajith Kanitkar (1998) observed that cottage and small-scale industries and services are considered to be the most suitable area for women. Women in villages can undertake manufacturing of agarbatti, pappad and pickles, envelop making, tailoring etc. Besides these, they can undertake embroidery work, handicrafts, flower work etc. which require very little capital. It would be pertinent to mention that women’s participation in khadi and village industrial activity is increasing. The KVIC programmes have now reached over 2.1lakh villages in the
country providing gainful employment opportunities to rural poor women. Training of women for entrepreneurial and managerial activities especially in KVIC sector should be conceived as one of the most important factors for accelerating economic growth.

**Self-employment of Women Entrepreneurs**

The processes whereby employees become self-employed have rarely been described. Further, the manner in which social, technological and industrial changes continue to provide opportunities for self-employment have been neglected. They are mostly in informal sector, thereby and as such lack database and recognition. Few studies done on this field are described in this sector.

Uschi Kraus-Harper (1991) asserted that most women of this world are 'enterprising in this sense cannot be supported by clear statistics, statistics of enterprising' women are very difficult to record anyhow. In Germany, for example, more and more women are becoming self-employed, starting small businesses, doing secretarial work at home or becoming ‘day-mothers’ to other women’s children in addition to their flexibility needed to take proper care of their families. The ‘women oriented’ people are right too, however, particularly since a growth orientation not only excludes women, but excludes poor people in general. Betty is burdened by the triple role of women as care taker of the family, as well as generating income, and also a community worker.

Morris and K.S Subramanian (1998) observed that in Western Literature “self-employed”, “micro enterprise”, “small business”, and “entrepreneurs” are used in a distinct sense. However, for a transitional economy such as Russia, this distinction
is much less clear. The unique and highly adverse macro economic and social conditions make starting almost any business in Russia an entrepreneurial undertaking. This is due to the general novelty of private enterprise for a formal communist economy, the lack of legal and financial infrastructure, which are readily available to entrepreneurs in the west at the extreme level of risk, including personal risk, associated with running a small business. Therefore, we use the term small business, micro-enterprise, self-employment and entrepreneurship interchangeably.

Kishkovksy and Williamson (1997) had show that the total number of officially registered small businesses in Russia is much lower than the number of self-employed. Just 8,44,000 registered small businesses were in operation in Russia in 1997 compared to over 18 million in the US. In fact, the total number of small private businesses are opening up in the US every year. Women’s share of all officially registered small businesses was estimated in a 1996 nation wide survey to be 31% or less than 300,000 (Economic and Social Indicators, 1996). In the year, women comprised 23% of owners of co-operatives and 18% of all entrepreneurs hiring wage labour. Further, women owned small businesses accounted for 12% of all goods and service produced in Russia.

Phan Lisa, Miriam, Ben Joseph et al (1990) in a study among students in Singapore, concluded that “the greater the opportunity cost of failure (as measured by the amount of formal education) the less likely that an individual will risk starting a new venture. High levels of human capital represents a high marginal product of labour and therefore high salary potential for the individual. This conclusion has been supported by another American study by Forlani and Mullins, who found an effect of
differences in risk propensities among entrepreneurs on their new venture choices. However, neither study has examined the relevance of these conclusions in the specific context of women entrepreneurs.

K. Chandralekha W. Kalayani and Dina Lavoie, (1996) held that women still bear the primary responsibility for managing the family, in addition to their employment, or self-employment outside the home. However, women entrepreneurs who are getting co-operation and support from family are better involved in managing the activities of their enterprises.

Harper and Vyakarnam (1988) explains women are culturally well equipped to run their own business, due to skills developed through managing households, raising children etc. Therefore, a shift from family management to enterprise management may be easier than a shift from paid employment to self-employment.

Scherer et al (1998) while explaining the role of gender in entrepreneurial career selection, discussed the three gender-based social learning indicators including career aspirations, career entry expectations, and career self-efficacy.

Alvarez and Meyer (1998) found that women entrepreneurs in technology based business have not been studied in a lot of detail as a group. There is no documentation on their motivation in selecting a career. In a study of highly educated women business owners, it was asserted that these women could obtain employment elsewhere but close to entrepreneurship. Women entrepreneurs start their own business not because they lack business options but because it is a vehicle that allows women to gain satisfaction and maintain high-level skills.
C. Rani (1997) explains that one out of every three new businesses started these days is initiated by a woman. This case sets an example to other women aspiring to become entrepreneurs. If a person develops the skill of dealing with customers and supplies with a little bit of knowledge she can be a successful businesswoman. According to her the factors influencing the selection of location in case of women are residential neighborhood and safety. Delivery of goods on time, concern for customer, quality consciousness and courage to face the difficulty has made her a successful women entrepreneur.

Vivek Deolankar (1993) held that entrepreneurship have been recognized as an essential ingredient of economic development. It is difficult to stimulate entrepreneurship among the propel in the backward, rural, and tribal areas, and much more difficult to sustain their interest. Another area where the promotional agencies are yet to make a dent is development of entrepreneurship among the weaker sections, tribal and women who constitute a large section of the Indian masses and need to be brought into the mainstream. The fact is entrepreneurs are not born, they are made through different training programmes.

Susan Marlow and Lalitha Devi (1997) argued that the gender of an individual cantering self-employment would significantly affect the experience of owning a business. From the existing literature, it is observed that there are a number of similarities between men and women small firm owners, and experience of self-employment. There are credibility problems for firm owners arising from their gender, if a women’s nations of business success are moulded by gender experience and finally if women are utilizing self-employment as a solution to dual demands of
domestic and waged labour, then the experience of self-employment is tainted by patriarchal expectations. Until gender, affecting the experience of self-employment is afforded attention and credibility, the experiences of self-employed women and the contributions made by their businesses cannot be properly understood or evaluated.

Jerome A. Katz and Pamela M. Williams (1997) explained the weak-tie network linkage in formal organizations, using a representative sample of American self-employed and salaried managers drawn from the General Social Survey (GSS). The results suggest that entrepreneur’s weak-tie network efforts are less than those of managers, with female entrepreneurs engaging in weak-tie networking less than salaried male managers.

David (1992) found that micro enterprises are small undertakings run by individuals who take up the responsibility of managing a business venture and often involve the family. Micro enterprises suit the lifestyle of women because of their multiple roles and the need to reorganize time. Originally micro enterprises for women were extensions of kitchen activities in stereotyped roles-ups-pickle, powder and papa. Now women have ventured into engineering, electronics, and other industries under integrated rural development programme.

L. Dolinsky, Richard K. Caputo (1994) in their study employed a decomposition methodology in analysing the difference in the longitudinal patterns of self-employment rates between black and white females in the United States. This methodology permitted an assessment of self-employment dynamics as suggested by a gross flow approach i.e., considering the entry and stair patterns. Overall, the decomposition result indicate that, together differences in the probability of entry and
differences in the pool potential stairs account for a combined total of roughly 90 per cent of the overall self-white women over the survey years considered. To the extent black females were found to be almost as likely as whites to stay self-employed once they entered self-employment, their finding suggest that the explanation hinging on the discrimination of white consumers against black businesses may be less relevant.

Thomas Patrick Cooley, Md. Mirzanur Rahaman and P. Parimalam (1996) all have explained that economic needs of the family are increasing day-by-day demanding the women to take up gainful employment outside the home. Self-employment is a challenge to the women as they have to play dual roles that of the housewife and mother, and business executive. Developing industrial and entrepreneurship among women are the need of the hour. The socio economic profile of the sample women revealed that (79%) of the families belonged to nuclear type. Women tool up a variety of enterprises ranging from food products and telecommunication. Bank assisted (43%) of the women entrepreneurs followed by Tamil Nadu Industrial Investment Corporation (32%). Majority of women adopted a mental plan in their enterprise and at home. Major problems faced by the women entrepreneurs were the inability to fulfill social obligations (80%), inability to look after family members (70%), problems in acquiring loans (64%) and irregularity of the paid servants were the important problems faced by them.

Matile Salganicoff and Jammala Bajal (1990) observed that women remain unorganised and underused human resource in family businesses. Their invisibility is the consequence of two factors working simultaneously. Women and men are carriers and perpetrators of the social prejudices of the society around them. There are co-
conspirators in maintaining stereotypes that confine the potential of both women and family businesses. There is hope that women’s strengths may eventually be valued in the business world. Women have been learning to do all these things since childhood, they are well-trained, holistic managers whose sophisticated skills are too often unrecognized. Women who think they might want a career in the family business would do well to take job in other firms first so that they have some sense of their work capacities and can have a chance to work out most of their separation issues.

**Government Policy of Women Entrepreneurs**

Besides the factors, which are social, economic and cultural, government policies with regard to the subsidies and concessions allowed to women entrepreneurs to start enterprises might also influence entrepreneurship to a great extent either successfully and not successfully.

Robert D. Hisrich (1993) held that the female entrepreneurs in non-traditional business areas experienced more significant problems than those in traditional ones, particularly in the areas of obtaining credit, weak collateral position, and overcoming some of society’s belief that women are not as serious as men about business. Public policy should be directed at not only helping female entrepreneurs with business problems encountered particularly in the areas of credit and financial support, but also in coping with and handling society’s belief that women are not as serious as men about business.

D'Souza, Lena and Padmavathi (1990) analysed that the study is a pragmatic exploration into the means by which entrepreneurial skills among women
could be developed so that they are integrated into a development process hastened with the liberalisation of the economy.

**Nina Gunnerrud Berg (1997)** held that feminist geographies may contribute to new insights about entrepreneurship she added that when study entrepreneurs one should be aware of the fact that one studies gendered beings in gender places. Gender and place must be conceived as integral to rethink parts to entrepreneurship and she pleaded to rethink categories like entrepreneur, man, woman, place, for understanding entrepreneurship. She finally emphasized that the difference that ‘place makes to gender relations and the gendering of entrepreneurship should be taken into account in entrepreneurship research’.

**H.S. Anitha & A.S. Laxmisha (1999)** showed that the women entrepreneurs in backward areas need special assistance and incentives from the government and financial institutions. The government shall setup marketing agencies to ensure the timely marketing of the goods produced by women entrepreneurs. Separate industrial estates may be setup-for women entrepreneurs to create altogether a special environment. At the national level and state level, there is a need to set up women Industrial Development Bank. In recent years, there has been a heightened global awareness regarding the contribution which women can make to the process of economic development. The development of women as entrepreneurs will generate multifaceted socio-economic benefits to the country.

**William B. Walstad and Harinarayana Rao (1998)** explained that there is a need to support and improve the entrepreneurship education among our nation’s youth. Their contributions may be strongly influenced by the foundation for
entrepreneurship that is provided in the formative years of their education. This educational effort is especially important for females because the study result suggest that they may be less confident in their entrepreneurship, and more negatively predisposed toward market mechanisms. In addition, they demonstrate alternative approaches to the improve their self-evaluation and confidence in their entrepreneurship knowledge and capabilities.

E. Raja Justus and M. Mahiba (2000) underlined that participatory micro enterprises can play an important role in accelerating the development process of underdeveloped countries or developing nations like India. Even though participatory micro enterprises had been functioning from the later years of the 19th century and the early part of the 20th century their aims and objectives have differed, but most of them had extended some service to the weaker sections of the population. People’s Association for Social Action is one such agency started in 1978 by a few like minded persons who were interested in the liberation of the poor and oppressed sections of the population in the rural areas of Kanya kumari district in Tamil Nadu.

Karin Gray and Mark Allison (1997) argued that enterprise development in a post-emergency environment is risky, and risks bring higher costs, today, there is much interest in micro enterprise projects in Malange. The businesses created continue to strengthen. For example, when one group wished to go to Luanda to buy bulk materials and thread, they requested a loan for the purpose. Some government departments are showing more interest and willingness in working alongside international partners. Work to repair infrastructure has helped improve transport links, with the result that more goods are available locally.
Hisrich, Fulop, P.K. Singh and Poonam Syal (1995) all have emphasized that programs aimed at helping women to start and develop their own businesses exist in many countries. Some of them are well established and some run on an experimental basis. National or regional development funds offer specialised training and financial assistance for women entrepreneurs in Sweden, Finland, Norway, the Netherlands, Spain, Britain and Turkey. In France, the Ministry for Women’s Rights provides direct financial support and consultations to businesswomen. The small business administration in the United States also has a special program for women-owned businesses.

Vodopivec (1998) explained that women in Western Countries also have access to “unemployed to entrepreneurs programs”. These programs typically pay participants a self-employment allowance instead of unemployment compensation. Participants must attend entrepreneurial training course and can receive technical assistance when they start up their enterprise. Studies of self-employment training programmes indicate that participation in them increases the likelihood of entry into self-employment and increases the overall duration of employment (Benus, 1994). Several transitional economies (China, Estonia, Hungary, Poland, Solvenia) have also tried this form of new enterprise development. Transitional economies are particularly well-suited to this approach as their economies are shifting from a manufacturing base to a service base, thus offering numerous opportunities for small business ventures.

Schmertz (1999) held that the idea of the business incubator is borrowed from the western experience and is expanded to provide a virtual “one-stop –service” for
aspiring entrepreneurs. In Russia an incubator typically consists of an office building donated by local government, where entrepreneurs can rent an inexpensive and relatively secure space, lease equipment, and get on site training and advice for their business ventures. Most of the users of the Russian business incubators are unemployed or underemployed. As of July 1999, it helped create 98 new businesses that created 363 new jobs. It has also trained 1,763 aspiring entrepreneurs, 80% of them women. It is a form of group counseling, in which 57 women have participated and 22 women graduates have organized their own businesses.

**Kishkovsky and Williamson (1997)** held that many major international donor agencies that aid small business development and education in Russia declare that their goal is to support women’s entrepreneurship. Thus the European Bank for Reconstruction and Development stated that woman should business from its $300 million revolving fund of credits, established in 1993. The USAID has pledged that half of its support to micro-enterprise credit programs would target the very poor, and at least half the clients served would be women (US Government Assistance, 1999). However, in the field of business training the principle of equal support for female and male entrepreneurs is not always achieved for example, in the largest US-government sponsored programs.

**Sudarsan Sahoor, Moli P. Koshy and Mary Joseph (1991)** found that now increasing proportion of women are seeking gainful employment in industrial field. However, the movement of women entrepreneurship development is still in a transitional phase. It is only during the last 5 to 10 years that women have started becoming entrepreneurs. The growth of industrialization, education and democratic
system has brought about significant changes in the tradition bound Indian society. A comprehensive entrepreneurship development programme would help a lot in this direction if dealt with all seriousness and sincerity. A broad based organisational arrangement for disseminating information, conduction of women-oriented programmes by the banks and financial institutions, better linkages between institute of entrepreneurship development and the entrepreneurs association at state level could pave the way for speedy development in this direction.

Rajagopala Nair and Gilroy Rozario (2002) explains the major hindrance in the successful implementation of the PMRY programme was delay in sanctioning the loan amount. There is an acute shortage of electric power in Kerala. This has a chain effect of reduction in sales. They resort to private moneylenders for their working capital requirements, paying high rate of interest for the promotion of the schemes. Around 50 per cent of the beneficiaries are engaged in manufacturing activities by starting industries of their own, while the rest of the projects are either in the service or in the trade sectors. On the basis of the promptness in the repayment of the loan, we may conclude that the PMRY scheme is only 60 per cent successful in the state of Kerala.

Factors of Women Entrepreneurs

The general observation and studies reveal that several factors influence the women entrepreneurs. Not only the social background but also economic variables like capital credit, previous experience etc. influence the emergence of entrepreneurs.

Glady L. Symons (1990), Butter and Rosen (1989), Chapman (1976) all have emphasized various factors which influenced the women entry into business, and
found that in most of the foreign enterprises particularly in France and Canada, the
women assume entrepreneurial role either as theirs or founder or they dissatisfied with
the previous job. They held that the male model of entrepreneurial development is
not entirely applicable to women’s working lives. The heirs have been thrown into
management at an early age who enjoy being independent. The challenges, risks and
sacrifices that the women entrepreneurs assume are similar to those of men but
women face additional hurdles.

K.P. Singh (1993) explained has identified the reasons such as desire to be
independent and to do away with unemployment as motivational factors. Both pull
and push factors have contributed for their entry. However, he emphasized that there
is no evidence to show through the finding that the entrepreneurship is gender specific
and as such he suggested that women need not be given any special concession rather
whatever is extended to any disadvantaged group may be given to women also.

underlined that the individual motivations, family, background, education and work
experience are all factors which influence the decision to start a business, the choice
of market and the environment within which the business operate. Until very recently,
the major role of women was seen in most western economies by both men and
women to be that of wife and mother. The growth of women-owned businesses is a
reflection of a changing society, and does not appear to reflect differences between
the sexes in skill or motivation. It is likely that the profile of women entrepreneurs in
the future will continue to match their changing situation, and move even closer to
that of their male colleagues.
Phizacklea Hina Shah and Bhupatani (1982) argued that access to family or community members as low-wage workers is a key competitive advantage for many ethnic businessmen. This point is well supported in the literature. What is usually glossed over in the literature is the extent to which this family and community labour is female and subordinated to very similar patriarchal control mechanisms in the workplace as it is in the home. In fact, Caribbean businesses in the UK are not characteristically labour intensive on the policy front supporting the ethnic economy which appears to make good sense to local authorities frantically searching for ways of regenerating economic activity in decaying inner city areas and for alternative employment opportunities for ethnic minority men and women in the face of deindustrialization and continuing high levels of recession.

William B. Walstad (1998) held that found in their study that there is a compelling evidence in support of the need to improve the entrepreneurship education of our nation’s youth. This educational efforts is especially important for females because the study result suggests that they may be less confident in their entrepreneurial abilities, less interested in starting a business, and more negatively predisposed toward market mechanisms. In addition, they demonstrate alternative approaches to the self-esteem issues for females that may impact their self-evaluation and confidence in their entrepreneurship knowledge and capabilities.

Gulab Sing ‘Azad’ (1989) asserted that one encouraging feature is that there is no zero level of entrepreneurship and we are not operating in an entrepreneurial vacuum in the case of women. Today the entrepreneurial climate is not conductive to the development of entrepreneurship among women because of various factors. The
need for providing proper environment for entrepreneurship is of vital importance in
the case of women. Social Norms relating to the status of women range from out
right taboos against working outside the home to pressures which discourage women
from stigma attached to young women entrepreneurs can be removed by mass
movement for creating consciousness in the society. Women are gradually entering
into the field of entrepreneurship and taking this new role.

**Problems of Women Entrepreneurs**

The greatest deterrent to women entrepreneurs is that they are women. Male
chauvinism is the order of the day. Therefore, women have a tendency to keep away
from highflying activities that are supposedly regarded as the presence of men.

Asgheri Mohiuddin, Abid Ali Khan and Quasim Murtaza (1983) all have
underlined that any entrepreneurship development programme for women should
address and emphasise the aspect of social desirability of entrepreneurship. In most of
the cases they manage their ventures successfully. Every woman does have the need
to be useful to the society. As a matter of fact women entrepreneurs face the same
difficulties as men entrepreneurs do e.g. procurement of raw materials, loans, and
marketing. There are a large number of institutions and organisational set ups engaged
in the promotion of science and technology for women entrepreneurs. The awareness
and use of the consultancy facilities available in the country appear to be virtually
negligible among the women entrepreneurs.

Bryne (1998) explains that privatization of the economy and demise of the
Soviet State are responsible for the wide down granding of the economic status of
women in post-communist Russia. The removal of the affirmative action types of
regulations and quotas maintained by the soviet authorities has essentially caused the return of the patriarchal attitudes toward women that prevailed prior to the communist era. At the end of his rule, Gorbacheve himself called upon Russia women to voluntarily give their jobs to men and return to their rightful place as wives and mothers.

**Martin (1998)** shows that the discrimination against women in hiring can largely be attributed to the fact that social benefits are no longer paid by the state but by individual employers. Private employers prefer hiring men because they are unlikely to take maternity, family and sick leaves. Women are also more likely to be among the “hidden unemployed” because employers often choose to place them on extended maternity leave to reduce labor surpluses and costs.

**Irmgard Nubler, Mac Diarmid and Thomson (1991)** shows that assess to finance by female entrepreneurs was identified as one of the major constraints to enterprise formation and its subsequent development, Victorian women’s consultative council (VWCC) 1988; also found that women tend to start their businesses in the areas of previous occupational services. These industries are not typically capital intensive and therefore require lower start-up funds.

**Hanumant Yadav, Hisrich and Brush (1986)** explains that a US study identified three main reasons why women experienced difficulties in applying for finance first, women lack a financial track record and have few hard assets. Secondly, women tend to lack skill in financial planning, accounting and marketing and finally, women also face the disadvantage of not being taken seriously as a business owner or manager particularly in non-traditional areas such as manufacturing or construction.
Rosa and Carter (1992) shows that a United Kingdom study did not support the view that women were discriminated against the loan application process. They revealed men were more likely to refused bank loans and men were more likely to use over drafts to finance the business. The use of personal savings to finance the business was the same for both sexes. The female owned businesses were significantly smaller, even when age of business was controlled for and women started with less capital in all sectors. Butter and Rosen (1989) in a US study investigated the funding decision made by loan officers and found that loan officers did not treat men and women entrepreneurs differentials.

Bird and K.L. Sharma (1989) emphasized that the women too face the problem of inadequate communication between banks and entrepreneurs, lack of entrepreneurial skills and entrepreneurial failure to utilize resources available in their business net work, etc. Raising up start up capital has been the critical factor in venture initiation.

Kamala Singh, Shalini Nigam, Nagendra P. Singh and Archana Dwivedi (1992) held that the women entrepreneurs face the constraints relating to self-sphere system, socio-psycho system consisting of entrepreneurial motivation, job satisfaction, value orientation, decision making ability, family occupation, caste etc and support system of lack of encouragement from family and other institutions. Unless these constraints are addressed, it is difficult to promote successful women entrepreneurship.

Dilbagh Kaur (2000) found in his study that majority of the women entrepreneurs in his study are from urban background (82.29 %) have done graduation
64.71% had sole enterprises 70.59. Also it is seen that the initial problem faced by the entrepreneurs is ‘working capital’ and “infrastructure’ and at later stage the problem faced by them is marketing’. Marketing is one obstacle, which persists through. It may be due to the comparative marketing. The study suggests that ‘marketing’ is a serious problem faced by the women.

Except a very few studies, many studies concluded that the performance of units in institutionally supported entrepreneurs was in no way significantly better than the units located self-supported entrepreneurs. Some studies including those of N.P. Singh, Kohli Chandra, Kamala Singh and Shah have stressed the positive effects of micro enterprises, while others such as Kathleen R. Allen and Hisrich and Brush have concluded that the institutionally supported entrepreneurs have not been significantly successful in promoting entrepreneurship. In this context the present study seeks to assess the differential impact of institutionally supported entrepreneurs on their entrepreneurs in comparison with the performance of similar entrepreneurs located self-supported entrepreneurs such a comparative perspective in terms of select performance indicators would help proper assessment of the role of institutionally supported entrepreneurs. Further, comparison of socio-economic profiles of the micro enterprises and self-supported entrepreneurs the micro enterprises has been made to discern the underlying determinants of the entrepreneurship.