CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

“When Women Move Forward; the Family Moves, the Village Moves and the Nation Moves”.

- Jawaharlal Nehru

The world population has grown tremendously over the past two thousand years. In 1999, the world population passed the six billion mark. Latest official current world population estimate, for mid-year 2010, is estimated at 6,852,472,823. According to V.K. Singh and K.N Sudershan, the world population is growing at the rate of 97 million people per year and will touch 8.5 billion by the year 2025. About 95 per cent of the population growth will be in the developing countries. The Asian population is 3.55 billion, which may reach 4.54 billion by 2025 and women constitute around half of the total world population. As world economic profile of women shows, women represent 50 per cent of the world population, make up 30 per cent of the official labour force, perform 60 per cent of all working hours, receive 10 per cent of world income and own even less than one per cent of the world's property.

International Conference on Population and Development held in Cairo stressed on women empowerment and opined that a country's overall development and quality

---


of people's life is more depended on women empowerment.⁵ In the words of the former President of India APJ Abdul Kalam, "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to development of a good family, good society and ultimately a good nation".⁶

In advanced countries, there is a phenomenon of increase in the number of self-employed women after the World War II. In USA, women own 25 per cent of all businesses, even though their sales on an average are less than two-fifths of those of other small businesses. In Canada, one-third of small business is owned by women and in France, it is one-fifth.⁷

In the era of liberalization, privatization and globalization along with ongoing information technology revolution, today’s world is changing at a surprising pace. Political and economic transformations appear to be taking place everywhere as countries convert from command to demand economies, dictatorships move toward democratic system, and monarchies build new civil institutions. These changes have created economic opportunities for women who want to own and operate businesses.

At the same time 90 per cent of the rural women are unskilled and 88 per cent are illiterates which make them vulnerable to exploitation and economically dependent on men. No serious efforts have been made to improve the condition of women. There

---

is a need to promote as entrepreneurship through which women of rural areas are empowered.  

The word 'entrepreneur' is derived from the French word "Entreprendre" which means to undertake. In the early 16\textsuperscript{th} Century it was applied to persons engaged in military expeditions, and was extended to cover construction and civil engineering activities in the 17\textsuperscript{th} century, but during the 18\textsuperscript{th} century, the word 'entrepreneur' was used to refer to economic activities. Many authors have defined 'entrepreneur' differently. Generally, an entrepreneur is a person who combines capital and labour for production. According to Cantillon, "An entrepreneur is the agent who buys means of production at certain prices, in order to sell at prices that are certain at the moment at which he commits himself to his cost".

Today, women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic participation. The reasons for women to run organized enterprises are their skill and knowledge, their talents, abilities and creativity in business and a compelling desire to do something positive. It is high time that countries rose to the challenge to create more support systems for encouraging more entrepreneurship amongst women.

Entrepreneurship development is a very crucial factor for the acceleration of economic growth of any country and the development of women entrepreneur is an essential part of human resource development. Women have started to show more interest in entrepreneurship because it provides them with the challenges they want to face and the chances of making more money. Moreover, technological development

---

empowers women to acquire relevant qualifications and values to meet the demands of entrepreneurship.⁹

### 1.1 Women Entrepreneurship in India

Women entrepreneurship development is an essential part of human resource development. The development of women entrepreneurship is very low in India, especially in the rural areas. Entrepreneurship amongst women has been a recent concern. Women have become aware of their existence, their rights and their work situation. However, women of middle class are not too eager to alter their roles in fear of social backlash. The progress is visible among upper class families in urban cities.

The Indian economy has been witnessing a drastic change since mid-1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential.

In this dynamic world, women entrepreneurs play a vital role in the global quest for sustained economic development and social progress. Women have a unique position in the society. Real development cannot take place if it bypasses women, who not only represent one half of a country's population but also the kernels around which societal revolution takes place. Entrepreneurship enhances financial independence and self esteem of women. Around 50 per cent of India's population is women, yet business spheres such as trade, commerce and industry are still considered a male preserve. Entrepreneurial work has also been predominantly a man's world in India. Indian

---

women are in no way inferior to men in any walk of life and they can be as good entrepreneurs as men. Therefore, it is essential to utilize the potential of Indian women.

Though women have played a key role in the Indian society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. At present, women involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs. This is mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment of women pose challenges to the government, funding agencies and non-government organizations. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. Several policies and programmes are being implemented for the development of women entrepreneurship in India.

Women in India enter into business mainly for two types of factors i.e. pull and push factor. Pull factor refers to the process in which women are encouraged to start an occupation or venture with an urge to do something independently. Push factor refers to the process in which women are compelled to take up their own business in order to tackle their economic difficulties. In India, most of the women now show their preferences towards the entrepreneurship rather than going into the fields of professional or other services. Women choose both the traditional (toy making, pickle making, candle making, etc.) as well as the non-traditional (running garment shops, beauty-parlours, computer-centres, etc.) activities and they perform well. Generally, women opt for micro-enterprises because of certain unavoidable factors and issues like,
limited capacity, low level of confidence, little access to technical information, poor local market conditions, less access to capital, etc.\textsuperscript{10}

1.2 **Present Status of Women Entrepreneurs in India**

Since the 21st century, the status of women in India has been changing as a result of mounting industrialization and urbanization and social legislation. Over the years, a large number of women are going in for higher education, technical and professional education and there is a considerable increase in the number of women in the work spot. With the spread of education and awareness, women have shifted from the kitchen, handicrafts and traditional cottage industries to non-traditional higher levels of activities. The Government has also laid special weightage on the requirement for conducting special entrepreneurial training programmes for women to enable them to start their own ventures. Financial institutions and banks have also set up particular cells to help women entrepreneurs. This has rebound the women entrepreneurs on the economic scene in the recent years although many women entrepreneurship enterprises have still remained a much neglected field. Bharati Kollan and Indira J Parikh analyze the status of women rightly comment, “For women there are quite a lot of handicaps to enter into and manage business ownership due to the intensely entrenched conventional state of mind and strict principles of the Indian society”.\textsuperscript{11}


1.3 Successful Leading Business Women in India

The 21 Leading Businesswomen in India are

1. Akhila Srinivasan, Managing Director, Shriram Investments Ltd.
2. Chanda Kocchar, Executive Director, ICICI Bank
3. Ekta Kapoor, Creative Director, Balaji Telefilms
4. Jyoit Naik, President, Lijjat Papad
5. Kiran Mazumdar-Shaw, Chairman and Managing Director, Biocon
6. Lalita D Gupte, Joint Managing Director, ICICI Bank
7. Naina Lal Kidwai, Deputy CEO, HSBC
8. Preetha Reddy, Managing Director, Apollo Hospitals
9. Priya Paul, Chairman, Apeejay Park Hotels
10. Rajshree Pathy, Chairman, Rajshree Sugars and Chemicals Ltd
11. Ranjana Kumar, Chairman, NABARD
12. Ravina Raj Kohli, Media Personality and ex-President, STAR News
13. Renuka Ramnath, CEO, ICICI Ventures
14. Ritu Kumar, Fashion Designer
15. Ritu Nanda, CEO, Escolife
16. Shahnaz Hussain, CEO, Shahnaz Herbals
17. Sharan Apparao, Proprietor, Apparao Galleries
18. Simone Tata, Chairman, Trent Ltd
19. Sulajja Firodia Motwani, Joint MD, Kinetic Engineering
20. Tarjani Vakil, former Chairman and Managing Director, EXIM Bank
21. Zia Mody, Senior Partner, AZB & Partners

http://www.authorstream.com/tag/The+21+leading+businesswomen+in+india
1.4 Role of Women as Entrepreneurs

Considering the flow of women entrepreneurs in the traditional industries, it was often criticized that the women entrepreneurship are engaged only in handloom and handicraft enterprises. But now their career has been broaden into new line like hotel lines. In the last decade, there has been a remarkable shift from the traditional industry to non-traditional industry and services. Based on this concept, some important opportunities are being identified, considering the socio-economic, cultural and educational status and motivational level of women entrepreneurs, particularly projects with low investment, low technical know how and assured market are suggested for them such as production of soaps, detergents, ready made instant food products including pickles, spices, incense stick making, candle making, papad, manufacturing of woolen goods, beauty parlour business, typing centre, xeroxing, job contracts for packaging of goods and distribution and household provision etc.13

1.5 Categories of Women Entrepreneurs

The women entrepreneurs are classified into three categories based on the woman entrepreneur’s role in management of the enterprise: (1) Women-Managed Units (WMU), (2) Jointly Managed Units (JMU) and (3) Men-Managed Units (MMU). WMUs were those units, which strictly come under the description of a woman enterprise under WIP (Women Industries Programme). These units are owned and managed by women and 80 per cent of the employers are women. JMUs are units in which women have 50 per cent control all aspects of management and at least 50 per cent of the employment goes to women. MMUs are, on the other hand, women’s enterprises only in name, the dejure ‘entrepreneur’ not even knowing much about the

enterprise and playing little or no role in management irrespective of whether the employees are women or not.\textsuperscript{14}

1.6 Women Entrepreneurs and Their Constraints

Life for woman entrepreneurs having a small scale industry is not a bed of roses. The individual woman entrepreneur single-handedly faces a plethora of seemingly endless problems.

1. Bank and other financial institutions do not consider middle class women entrepreneurs as serious applicants for setting up their projects and they are hesitant to provide financial assistance to unmarried women or young girls because it is not clear who will return the loan either parents or in-laws. This humiliates unmarried women and they generally leave the idea of setting up their ventures.

2. The attitude of the officers of the support system is neither motivating nor encouraging, as they are under the impression that setting up of business or industry is not the women’s cup of tea.

3. Financial support system suffers from unpredictable delays.

4. Moving in and around the market, is again a tough job for middle class women entrepreneurs in Indian social system.

5. Women cannot get registered sales tax number without a male partner. This again humiliates prospective women entrepreneurs.

6. The security or surety and collateral requirements of the banks and financial institutions frustrate unmarried women and young girls. It is extremely difficult for young girls particularly those coming from a lower socio-economic level to set up a modest sized unit as their own financial and other resources are barely inadequate to meet the promoter’s contribution.

7. Men in the role of father, brother or husband, in general, are not ready to accept entrepreneurship as career option for women in their homes, as it is a full time activity and ultimately prevents them from doing their household duties.

8. It has been impressed in the minds of women that for married middle class women in India, family is the priority and for unmarried women, marriage is the priority because of Indian social system.\(^\text{15}\)

An International Labour Organization (ILO) report on women entrepreneurship identifies the following problems faced by women entrepreneurs.

1. Lack of family support: Family members make the women feel guilty of neglecting their household duties in their pursuit of business obligations. Cultural traditions hold back women from venturing into their own businesses.

2. Lack of capital: Traditional sources of finance like banks are reluctant to sanction loan to women entrepreneurs if they do not have any male or family backing. This is especially true of lower income women.

3. Lack of confidence and faith: Lack of role models undermines the self confidence of women entrepreneurs. The activity of selling is considered abhorrent to the female gender.

4. Lack of right public and private institutions: Most public and private incentives are misused and do not reach the women unless they are backed by men. Also many trade associations like ministries, chambers of commerce do not cater to women expecting women’s organizations to do the necessary thing.\(^\text{16}\)

While analyzing the problems faced by women entrepreneurs in India, Kirve and Kanitkar\(^\text{17}\) conclude, “women, who try to play the entrepreneurial role, generally have to face the environmental constraints. There are the chances for having high rate of failure for the one who is starting a business at the cost of her own effort and risk. Thus, this rate of loss might go even higher in the case of women who have to face the business, family and social problems. Consider the case of the highest literate state where the women are getting the full chance of showing their skills and proficiency. Such an environment is beneficial and suitable for the growth and development of women entrepreneurs”.

1.7 Schemes for the Development and Promotion of Women Entrepreneurs

According to the Third All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only 10.11 per cent of the Micro and Small Enterprises in India are owned by women while 9.46 per cent of the MSE (Medium Scale Enterprises) are managed by women. In 2006-07; it is estimated that 12.99 lakh women managed enterprise and 12.15 lakh women managed enterprise.


In order to encourage more women enterprises in the MSE sector, several schemes have been formulated by this Ministry and some more are in the process of being finalized, targeting only at the development of women enterprises in India.

1.7.1 Trade Related Entrepreneurship Assistance and Development Scheme for Women (TREAD)

With a view to encourage women in setting up their own ventures, government implements a scheme, namely, Trade Related Entrepreneurship Assistance and Development (TREAD) during the Eleventh Plan. The scheme envisages economic empowerment of women through the development of their entrepreneurial skills in nonfarm activities. There are three major components of the scheme:

1. Grants up to 30 per cent of the total project cost are given to the Non-Government Organizations (NGOs) for promoting entrepreneurship among women. The remaining 70 per cent of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.

2. Grants up to ₹1 lakh per programme is given to training institutions or NGOs for imparting training to the women entrepreneurs, subject to these institutions or NGOs bring their share to the extent of minimum 25 per cent of grant and 10 per cent in case of NER.

3. Need-based grants up to ₹5 lakh is given to National Entrepreneurship Development Institutions and any other institution of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.
Operationalisation of the Scheme

The scheme envisages that women associations, NGOs and SHGs should prepare composite bankable proposals for a group of women entrepreneurs, and submit to the office of the DC (MSME) for forwarding to the banks for their appraisal. The banks examine the proposal and issue the approval. 30 per cent of the loan amount is sanctioned as grant and made available to the bank by the office of DC (MSME) for further disbursement to NGOs.

1.7.2 Micro & Small Enterprises Cluster Development Programme

Existing Clusters

A cluster is defined as a group of enterprises, ideally having 100 members, producing similar products or services. While 100 members could be the minimum per cluster, depending on the density of population and other factors, even 200-300 could be a good target group for undertaking diagnostic study and the subsequent Soft Interventions in a cluster. However, in difficult and backward regions the target numbers could come down to 50 or less but it should not be too small as a lot of Government expenditure is made per cluster. The Cluster Development Programme (CDP) being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify appropriate technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The cluster development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc.
Type of interventions

A. Soft Interventions: They are capacity building activities in the cluster where no fixed assets is acquired or formed. Soft interventions, inter alia, include

1. Diagnostic study
2. Forming Association-Trust building and Developing Identity
3. Capacity building
4. Organizing workshops and seminars
5. Training and Exposure visits
6. Market development
7. Launch of Website
8. Common procurement
9. Common or complementary sales and branding

In the past, depending upon the type of cluster, assistance available for soft interventions varied in the range of ₹25 – ₹35 lakh per cluster. Currently we have an internal ceiling of ₹10 lakh for soft intervention under this scheme.

B. Hard Interventions: Hard interventions, inter alia, include

1. Setting up of Common Facility Centres (CFCs),
2. Mini Tool Room
3. Design Centre
4. Testing Facilities
5. Training Centre
6. R & D Centre
7. Common Raw Material Bank/Sales Depot
8. Display/Exhibition Centre
In case of the hard intervention, the contribution from the M/o MSME varies between 30 and 80 per cent of the total project cost, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be up to 90 per cent of the project cost.

**Creation of Infrastructure**

This Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like power distribution network, water, telecommunications, drainage and pollution control facilities, roads, exhibition/display centre, raw materials, storage and marketing outlets, common service facilities and technological back-up services, etc. This scheme has been subsumed in the MSME-Cluster Development Programme. All the features of IID Scheme have been retained.

To create physical infrastructure exclusively for women enterprises central grant of 40 per cent of the project cost subject to a maximum of ₹2 crore is available. The Ministry of MSME is making efforts to enhance the quantum of grant to 80 per cent in a project of ₹10 crore.

**Operationalisation of the Scheme**

1. A Cluster Development Executive (CDE) is required for executing and monitoring all soft interventions in a cluster. Normally, a CDE can be a DIC Officer/MSME-DI officer/retired expert or even hired person from Non-Government Sector.

2. The hard interventions in a cluster and creation of physical infrastructure require setting up a user’s body/special purpose vehicle which could be society/trust/company to be formed by the cluster beneficiaries.
1.7.3 **Credit Guarantee Fund Scheme for Micro and Small Enterprises**

This scheme was launched in August 2000 to ensure better flow of credit to micro and small enterprises by minimizing the risk perception of financial institutions and banks in lending without collateral security. Under this scheme, guarantee cover is provided to collateral free credit facility extended by Member Lending Institutions (MLIs) to the new as well as existing micro and small enterprises on loans up to ₹50 lakh. The guarantee cover available is up to 75 per cent of the loans extended. The extent of guarantee cover is 80 per cent for (i) micro enterprises for loans up to ₹5 lakh; (ii) MSEs operated and/or owned by women; and (iii) all loans in the North-East region. The lending institutions availing guarantee from the Trust have to pay one time guarantee fee of 1.5 per cent and service charges of 0.75 per cent per annum of the credit facility sanctioned. For loans up to ₹5 lakh, the one time guarantee fee is 1 per cent and service charges are 0.5 per cent per annum of the credit facility sanctioned.

1.7.4 **Support for Entrepreneurial and Managerial Development**

MSME-DIs regularly organize a number of Entrepreneurship Skill Development Programme (ESDPs)/ Entrepreneurship Development Programme (EDPs)/ Management Development Programmes (MDPs) to train the potential entrepreneurs in improving their techno/managerial knowledge and skill with a view to facilitating them to start MSEs in various fields.

Many of the programmes are tailor made for the target group for SC, ST, OBC, Women, Minorities and other weaker sections. These programmes are also called “Outreach Programmes” as they are conducted in rural / less developed areas.
22.5 per cent of total target of ESDPs/EDPs are conducted exclusively for SC, ST, Women and Physically Challenged persons with a stipend of रु500 per months per candidate under the promotional packages for MSEs. No fees are charged for SC, ST, woman, and physically handicapped.

1.7.5 Exhibitions for Women under Promotional Package for Micro & Small Enterprises Approved by CCEA under Marketing Support

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women and register in DI/DIC in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under MSME stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme, participation of women entrepreneurs in 25 international exhibitions is envisaged during the Eleventh Plan (2007-2012).

With a view to encourage women entrepreneurs to participate in the International Exhibitions under MDA scheme it has been decided to

1. provide rent free space (6/9 Sq Mts) in the exhibitions
2. reimburse 100 per cent economy class air fare for one representative
3. the overall ceiling shall however be रु1.25 lakh.18

---

1.8 Programmes and Organizations for the Development of Women Entrepreneurship in India

The government of India and state government of Tamil Nadu have introduced a number of schemes for the development of women entrepreneurs. The development schemes are implemented with the help of government organization and non governmental organization for the benefit of women entrepreneurs. The followings are the Programmes and Organizations:

- Entrepreneurship Development Programmes (EDPs)
- Development Programmes of Central Social Welfare Board
- Rural Industries Programme of SIDBI
- Prime Minister’s Rozgar Yojana (PMRY)
- Micro Credit Scheme
- Mahila Samakhya Project (MSP)
- National Policy for the Empowerment of Women
- Indira Mahila Yojana (IMY)
- Women’s Component Plan (WCP)
- Swarna Jayanti Shahari Rozgar Yojana (SJSRY)
- Technology Development & Utilisation Programme for Women (TDUPW)
- Swa-Shakti Project
- Trade Related Entrepreneurship Assistance and Development of Women (TREAD)
- Swarnajayanti Gram Swarozgar Yojana (SGSY)
- Revised Scheme of TREAD
- Scheme of Assistance to Women Co-operatives
Small Scale Industries play a key role in the industrialization of the country. It is considered as an important means for checking concentration of economic power in a few hands and bringing about economic dispersal and more equitable distribution of national income. The nature and characters of SSI are suitable for women to become entrepreneurs.

Women entrepreneurs are a woman or a group of women who initiate, organize and operate a business enterprise. The government of India considers the enterprise of women entrepreneurs as “an enterprise owned and controlled by women saving a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women”.

The small-scale industrial units are functioning in all the states in India. According to the third All India Census of Small Scale Industries, there are 10.52 million units functioning in India. The total employment contribution of the sector is 24.93 million, with a per unit contribution of 2.37. The state of Uttar Pradesh tops the list with more than 17 lakh SSI units followed by Andhra Pradesh, Maharashtra, Madhya Pradesh and Tamil Nadu. Sikkim has the lowest number of small scale units (368 units).

In India, small scale industrial units are owned both by men and women. Among the small scale industrial units owned by women entrepreneurs in India, Kerala tops the list with 1.39 lakh units, followed by Tamil Nadu with 1.30 lakh units. Tamil Nadu ranks second in the total number of small-scale units owned by women entrepreneurs in India. Lakshadweep has the lowest number of small-scale units owned by women entrepreneurs (67 units).

Among the 94.57 lakhs SSI units owned by men functioning in India, 86.92 per cent are unregistered and registered units amount to 13.08 per cent. In the total number of SSI units owned by men functioning in India more than four-fifths of the units (86.92 per cent) are unregistered. In 10.64 lakhs SSI units owned by women, 87.07 per cent units are unregistered and 12.93 per cent units are registered. More than four-fifths of SSI units (87.07 per cent) owned by women are unregistered.
1.10 Statement of the Problem

Presently women entrepreneurs comprise of 10 per cent of the total entrepreneurs in India. It is also clear that this percentage is growing every year. The role of women entrepreneurs helps to solve the problems of unemployment and poverty. Development of women entrepreneurs is an essential part of human resource development. Entrepreneurship amongst women has been a recent concern. The development of women entrepreneurs is very low in India, especially in the Tirunelveli District.

Several government entrepreneurial programmes and schemes focus on women in small scale Industries. Propounded by different departments and initiated at different times, most of the schemes share a lot of common features. The Women Industries Programme (WIP) offers 50 per cent subsidy limited to ₹25,000 for building construction and machinery for the business under the small scale industries. Entrepreneurs are offered free Management Training Programmes and stipend during the training period in small scale industries. Subsidies are given to women entrepreneur in the small-scale industries sector; the Khadi and village Industries Commission (KVIC) gives 30 per cent margin money as subsidy (limited to ₹10 Lakh) as against the 25 per cent for the general category. Irrespective of these special incentives, women enterprises encounter several problems. Often, women are merely fronts for men to obtain concessional credit, subsidies, and other incentives offered for women enterprises. Duplication of the same type of enterprises (herd mentality) is rampant among women units, limiting themselves to certain limited areas of work. Many women units do not opt for business expansion even when they have scope for it. To top it all about 90 per cent of the women units are reported to be sick.
Reports by government departments and financial institutions have mentioned about constraints imposed on women entrepreneurs in small scale industries by their immediate environment, such as family commitments and absence of appropriate psychological disposition on the part of women themselves. However, the primary focus of attention of policy makers still remains on constraints such as lack of short-term and long-term credit facilities. Similarly, conventional training programmes are organized on general management areas such as production, finance, and marketing personnel on the assumption that these are the main skills required for successful entrepreneurship. However, these do not seem to be the sole or even the most important factors. The outcome of various Entrepreneurship Development Programmes (EDP) shows that even when credit is provided, women hesitate to set up units or If they set up units, they do not succeed in their ventures.

The banking sectors also play a vital role for the development of women entrepreneurs in India. Several nationalized banks in India have special schemes for promoting entrepreneurship, especially enterprises owned by women. The state and central government also organize many training programs for women entrepreneurs through the banking sectors. But low awareness and a passive mindset ensure that there are very few takers. Though a number of credit schemes are available for women, there are several bottlenecks as well. There are some barriers between banking sectors and women entrepreneurs so that the bank schemes have not reached the women entrepreneurs.20

Rajesh Kumar Shastri and Avanika Sinha\textsuperscript{21} have reported in their study that women’s entrepreneurship needs to be studied separately for two main reasons. The first reason is that women’s entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and also by being different. They also provide the society with different solutions to management, organization and business problems as well as to the utilization of entrepreneurial opportunities. The second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do.

Although the significance of these factors is recognized, systematic studies on them do not exist, partly due to the difficulties of conducting such studies and partly to the fact that policy conclusions are not immediately obvious since the process of changing these factors will take time. Nevertheless, given the fact that there is a large financial outlay on the part of the government which has spent huge amounts on women development programmes, but with limited success, the role of these factors in inhibiting women’s entrepreneurial growth demands serious enquiry, particularly in Tirunelveli District with the advent of local level planning and proliferation of new schemes modeled on the old pattern.

In view of the above situation, the researcher decided to take this study to identify the development of women entrepreneurs. The present study aims to analyze

the factors of various developments, constraints and perception on banking sectors of women entrepreneurs in Small Scale Industries in the district. The results of the study would serve as a guidepost for the development of the women entrepreneurs in Small Scale Industries in the area where the study has been undertaken.

1.11 Objectives of the Study

The overall objective is to analyze the development of women entrepreneurs in Small Scale Industries in Tirunelveli district. The specific objectives of the study are:

1. To study the profile and background of the respondents.
2. To study the organizational profile of enterprise of the respondents.
3. To analyze the various developments on personality, social, personal, innovational, embankment and intellectual of the respondents.
4. To analyze the various constraints faced by the women entrepreneurs to run their enterprise.
5. To study the overall perception of the respondents on banking sector.
6. To offer suitable suggestions based on the findings.

1.12 Null Hypotheses

To give a specific focus to the objectives, null hypotheses have been formed to test the objectives on clear terms using appropriate statistical tools. It necessitates the development of hypotheses at each and every stage of the analysis. The study involves 15 hypotheses which are listed down, proved and explained in detail in the fourth, fifth and sixth chapters. The following is the list of hypotheses formulated for the study.

1. There is no significant development on the selected variables of women entrepreneurs compared to the average level (Mean = 10)
2. There is no significant Personality Development in all categories of women entrepreneurs.

3. There is no significant Social Development in all categories of women entrepreneurs.

4. There is no significant Personal Development in all categories of women entrepreneurs.

5. There is no significant Innovational Development in all categories of women entrepreneurs.

6. There is no significant Embankment Development in all categories of women entrepreneurs.

7. There is no significant Intellectual Development in all categories of women entrepreneurs.

8. There is no significant difference among Mean Rank of development variables of Factor – Personality Development.

9. There is no significant difference among Mean Rank of development variables of Factor – Social Development.

10. There is no significant difference among Mean Rank of development variables of Factor – Personal Development.

11. There is no significant difference among Mean Rank of development variables of Factor – Innovational Development.
12. There is no significant difference among Mean Rank of development variables of Factor – Embankment Development.

13. There is no significant difference among Mean Rank of development variables of Factor – Intellectual Development.

14. There is no significant difference among Mean Rank of Development Factors of Women Entrepreneurs.

15. There is no significant difference among Mean Rank variables of Constraints of Women Entrepreneurs.

1.13 Methodology

The methodology adopted in the present study includes the selection of the study area, the research design, the sampling technique, the collection of data, the period of study and tools of analysis.

1.13.1 Selection of the Study Area

The industrial growth of a district is conditioned by natural resources, infrastructural facilities, transport and technical know how. These have helped building up industries in the district of Tirunelveli. Tirunelveli district has been endowed with several facilities for the rapid growth of women entrepreneurs when compared to other districts in Tamil Nadu but unfortunately it is one of the industrially backward areas in the state. Tirunelveli district is the native district for the researcher. These are the main reasons for selecting Tirunelveli district as the study area to analyze the developments of women entrepreneurs in Small Scale Industries.
1.13.2 Research Design

Research design is the arrangement of conditions for collection and analysis of data, in a manner, that aims to combine relevance to the research purpose, with economy in procedure.\(^{22}\)

In the present study, Observational designs and Ex-post-facto research design was followed. Singh (1980)\(^{23}\) defined Ex-post-facto research as a design that draws the influences regarding the relationship between variables on the basis of such independent variables whose manifestations have already occurred. Del Siegle (2009)\(^{24}\) explained the causal comparative (ex post facto) research that the groups are already formed. It does not meet the standards of an experiment because the independent variable in not manipulated. The researcher has no control over the independent variables because they occurred much prior to her research effort.

1.13.3 Sampling Technique

Snowball sampling, which is considered a form of accidental sampling, is adopted for the present study. According to Allen Rubin and Earl R. Babbie\(^{25}\), snowball sampling is appropriate when the members of a special population are difficult to locate. The term snowball refers to the process of accumulation as each located subject suggests other subjects. The sampling procedure also results in samples that have questionable representativeness, so it is used primarily for exploratory purposes. Nevertheless, snowball sampling is an important and commonly used technique in

---


\(^{24}\) http://www.gifted.uconn.edu/siegle/research/Experimental/experimentInstructorNotes.html

qualitative research, and in research on minority and oppressed population it is often necessary

In order to study the developments of women entrepreneurs in small scale industries in Tirunelveli district, 380 women entrepreneurs in small scale industries and services were identified as sample evenly from 19 blocks of the district by adopting the snowball sampling technique. In Tirunelveli district, women entrepreneurs are emerging in various fields namely Petty Shop, Tailoring, Garment, Handicrafts, Beauty Parlour, Catering Services, Dairy Farming, Poultry, Job Works (Typing, Xerox, Lamination, Computer Centre, STD/ISD booth, etc.) and the like. Since most of the women entrepreneurs are running small-scale units, the data regarding the number of women entrepreneurs are not available in the government departments. Hence raw data were obtained from 380 women entrepreneurs who were identified by snowball sampling techniques. From each of the 19 blocks of the district, 20 women entrepreneurs were selected which comes to a total of 380 respondents for this study.

1.13.4 Collection of Data

The present study was based on both primary and secondary data. Well structured and pretested interview schedule was used for collecting primary data by personal interview method. The interview schedule was prepared by a five-point Likert scale to collect the information required for the study after an in-depth review of the previous studies related to the topic of the present study, discussions with the officials of the District Industries Centre (DIC) and experienced women entrepreneurs in Small Scale Industries. It was then judged for content validity and pre-tested on a group of conveniently selected respondents to assess its clarity and ease of completion. Based on the recommendations received, it is modified and subsequently given to the study
sample for the data collection. The interview schedule focuses on six development factors, women-centred constraints and perception of women entrepreneurs on banking service. In the interview schedule, some questions consist of multiple items while others are single items.

Secondary data have been collected from books, journals, newspapers, periodicals, reports, internet, unpublished Ph.D theses, and unpublished records of District Industries Centre, Tirunelveli. The data from directorate of industries and commerce, Chennai and Tamil Nadu Industrial Investment Corporation Ltd. have also been collected in their websites.

1.13.5 Period of Study

The study was conducted in the year 2010–11. The primary data were collected from the women entrepreneurs in small scale industries and services during the period from March 2010 to January 2011. The data related to the developments of women entrepreneurs were obtained from the date of starting their enterprises.

1.13.6 Tools and Techniques of Data Analysis

Descriptive analysis has been used to analyze the profile and background of women entrepreneurs, organizational profile of enterprise and to draw inferences. In the descriptive analysis, the sample units were divided into three, based on the woman entrepreneur’s role in management of the enterprise into (1) Women Managed Units (WMU), (2) Jointly Managed Units (JMU) and (3) Men Managed Units (MMU) for the purpose of the analysis.
The development of women entrepreneurs on various variables and the development of three categories of women entrepreneurs were assessed by using the One-Sample t Test procedure. In order to find out the significant development of women entrepreneurs on various variables, the constant test value (Average mean value = 10) was used.

In order to analyze the development factors such as personality development, social development, personal development, innovational development, embankment development and intellectual development of women entrepreneurs, Factor Analysis has been administered. In Factor Analysis, the Kaiser-Meyer-Olkin was used to find out the sampling adequacy, Bartlett’s Test was used to find out the sphericity, Principal Component Analysis Method was used to find out the significant development of the factors and Varimax of Orthogonal Rotations Method was used to find out the loadings of the variables on the factors. Correlation Matrix was used to find out the degree of relationship of variables on one and each other. Friedman Test has been used to find out the significant difference between the true mean variables of development factors and also between the factors. If the Friedman Test result was statistically significant then Wilcoxon Signed-Rank Tests was used as post-hoc test to examine where the differences actually occur.

In order to find out the loadings of various constraints of women entrepreneurs to run their business, Varimax of Orthogonal Rotations Method in Factor Analysis has been administered and Friedman Test has been used to find out the significant difference between the true mean constraints of women entrepreneurs. Descriptive and GAP Analysis has been used to find out the perception of women entrepreneurs on banking service and the gaps between the women entrepreneurs and the banking sector.
Data cleaning began at the end of each day and the data were entered into the computer. Advanced statistical analyses of the study were performed using significant statistical software, like SPSS. Before analyzing the data, the editing of the data were again done by using software. After the analysis, the data were interpreted on the basis of analytical results. Before applying statistical tools, the data were tested for normality i.e. Non-Parametric Test namely Kolmogorov-Smirnov Tests.

1.14 Significance of the Study

The research in women entrepreneurs is providing new insights and innovation to the women entrepreneurs as well as to the policy makers in enterprises. The ultimate goal of research in women entrepreneurs is to help women to develop their enterprises and improve their performance based on new concepts. The findings of this study will be of significance in many fields and the results of the study may

1. add to the existing fund of knowledge with regard to the development of women entrepreneurs in small scale industries.

2. provide guidelines, which will help the District Industries Centre (DIC) and committed NGOs in preparing the training programmes and schemes for women entrepreneurs in small scale industries.

3. help the government and policy makers in enterprises to find out the cluster of enterprises sector and sick area of enterprises for women entrepreneurs in small scale industries.

4. help the government and policy makers in enterprises to find out the constraints of women entrepreneurs to run their enterprises.
5. help the bank officials to remove the gaps between banking service and women entrepreneurs.

1.15 Limitations of the Study

1. The study covered only Tirunelveli district. Hence the findings and conclusions of the study are entirely applicable to this district only and it may not hold good for other areas.

2. The study was based on the perceptions of the women entrepreneurs, whose attitudes may change with the change of times. Therefore, the responses reflect only their contemporary views on the prevailing conditions.

3. Present study covered only the women entrepreneurs engaged in manufacturing and service sector under Small Scale Industries.

4. Data collection through interview schedule was a time consuming matter. The respondents sometimes were found non-cooperative with the interviewer.

5. Further, it was also found that women entrepreneurs had a tendency to reveal their income as low and expenses as high thinking that this would help them to get more credit.

1.16 Scheme of Work

The present study, “A Study on the Development of Women Entrepreneurs in Small Scale Industries in Tirunelveli District” has been organized under seven chapters.

The first chapter includes details related to women entrepreneurs in India, present status of women entrepreneurs in India, role of women as entrepreneur, women entrepreneurs and their constraints, categories of women entrepreneurs, the schemes,
programmes and organizations for the development of women entrepreneurs in India and women entrepreneurs in small scale industries. Besides, the statement of the problem, objectives, methodology, limitations and scheme of work has been presented.

The second chapter is about the reviews of the past studies related to the present study. Further, it discusses the concepts used in the present study.

The third chapter describes the profile of the study area and the profile of the small scale industries in Tamilnadu and Tirunelveli District.

The fourth chapter deals with the analysis and interpretations of the personal profile and the organizational profile of the enterprise of the respondents.

The fifth chapter enlists the analysis and interpretations of developments on various variables and factors such as Personality Development, Social Development, Personal Development, Innovational Development, Embankment Development and Intellectual Development of the respondents.

The sixth chapter deals with the analysis and interpretations of various constraints and overall perception on banking service of the respondents.

The seventh chapter presents the summary of findings along with the conclusions and suggestions based on the analysis done.