CHAPTER I

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1.1 Introduction

Entrepreneurship has been acknowledged as one of the essential factors determining the growth and development of the country. Entrepreneurship development plays a pivotal role for increasing production and productivity in the primary, secondary and tertiary sectors; for harnessing and utilising material and human resources; for solving the problems of unemployment and under-employment; for effective equitable distribution of income and wealth; for increasing the Gross National Product (GDP) and for improving Per Capita Income (P.I). In India, the entrepreneurial world is still dominated by men. But the percentage of women in business is steadily increasing in recent times. They are more conscious of their role, status and rights in the society.

Women entrepreneurship is the thrust area at present as the Government, banks and other agencies are ready to serve this sector with the twin objectives of enhancing self-employment opportunities in general and empowerment of women in particular. Women entrepreneurship is seen as the after-effect of education, enlightenment and emancipation, contributing to employment, empowerment and economic development.

Women entrepreneurship may be defined as “women achieving economic independency and generates employment opportunities to others by running an enterprise”. In the past fifty years, society shifted their perspectives of women
being primarily child bearers and caregivers to include primary breadwinners or co-contributors to the family income (Parker 2009). Too often, entrepreneurial efforts by women have gone unnoticed and their contributions have been underappreciated. Lack of recognition or attention, however, does not negate either the significant contribution made by the women’s entrepreneurs or increasing standard of living of women in the society (De Bruin et. al. 2006). Micro and small entrepreneurs in (MSEs) are the engine of growth and play an important role in poverty reduction in developing countries (World Bank 2003). The present study of women entrepreneurs was undertaken with a view to understand the nature and conditions of women entrepreneur in the informal sector under which they are functioning and the challenges faced by them, their satisfaction and their success in course of their entrepreneurial pursuits.

1.2 Theoretical Background

Theories of entrepreneurship are broadly classified into economic, psychological, sociological and cultural. The phenomenon of entrepreneurship development theories have been changing over the period of time and interpreted differently by social scientists. Although a number of theories enunciated entrepreneurship and its relation to economic development, however, the present study has traced some of the theories, which relates to economics, sociology, psychology, management and social perspectives.
Cantillon’s (1755) work on “Essai sur la nature du commerce en general” saw the entrepreneur as responsible for all exchange and circulation in the economy. As opposed to wage workers and land owners who both receive a certain or fixed income/rent, the entrepreneurs earn an uncertain profit. Cantillon’s entrepreneur is an individual who equilibrates supply and demand in the economy and in this function bears risk or uncertainty. Further, he describes the entrepreneurs as the one “who assumes the risk of buying goods at one price and attempts to sell them to profit, either in their original state or as new product”. This theory does not view the entrepreneur as a production factor as such, but an agent that takes on risk and thereby equilibrates supply and demand in the economy.

Say (1827) provided a different interpretation of the entrepreneurial task. He regarded the entrepreneur as a manager of a firm and an input in the production process. He saw the entrepreneur as the main agent of production in the economy rather than emphasising the risk-bearing role of the entrepreneur. He stressed that the entrepreneur’s principle quality is to have good judgment (Hebert et al. 1988:38).

Alfred Marshall (1890) also devoted attention to the entrepreneur in his book on “Principles of Economics”. In addition to the risk bearing Marshall introduced an innovating function of the entrepreneur by emphasising that the entrepreneur continuously seeks opportunities to minimise costs.
'Marshallian’ analysis tries to explain equilibrium conditions in the markets under the assumptions of perfect knowledge and information, perfect competition (existence of many firms), existence of homogenous goods and free entry and exit, Marshall’s main concerns and at the same time goal is to show that markets clear under the perfect competition assumptions and there are no excess profit opportunities and hence there is no exploitation of labour in production process since everyone earns his marginal contribution to production and national income. Marshall uses small changes (innovations) in the market process by many small competitors and confusingly indicates that large scale production is essential for economic progress and economic innovation.

Marshall has tried to create equilibrium by having many players in the market, hence perfect competition and not monopolist market. His theories consider many “great men” who establish equilibrium in the supply and demand in the market for goods and services. Marshallian analysis gives small contributions from a very large number of modest entrepreneurs’ lead economic progress.

Joseph A Schumpeter (1939) describes the entrepreneurs as a catalyst of social change and there by initiate and sustains the process of development. The entrepreneur according to him is a leader, brings innovation, new economic activities, new idea and new level of development in the economy. Schumpeterian entrepreneur is an innovator in the entrepreneurship area. As per his perception the entrepreneur moves the economy out of the static equilibrium. According to him entrepreneurs are different from ‘invented’ by claiming that as long as they are not
carried into practice, inventions are economically ‘irrelevant’. It is entrepreneur’s talents make themselves felt by introducing new ideas and new combinations that makes the entrepreneur is different from others. By means of combination of factors of production, the entrepreneurs activate the economy to a new level of development. However, his concept of innovation included by elements of risk taking, superintendence and co-ordination.

According to Abraham Maslow (1943) human achievement or human motivation is a hierarchy of five basic needs of the entrepreneurs. They are psychological needs, safety needs, social needs, self esteem needs and self actualisation needs. These needs are arranged in the lowest to the highest hierarchy. According to him the second need does not arise until the first is measurably satisfied and the third need does not emerge until the first two needs have been measurably satisfied and so on. For entrepreneur, it is mainly social esteem and self actualisation needs, which motivate them to work more and more for satisfying them.

Leibenstein’s (1957) X-efficiency theory identifies the main roles of entrepreneurs. The first role is input completion, which involves making available inputs that improve the efficiency of existing production access or facilitate the introduction of new ones. The role of entrepreneur is to enroll the flow of information in the market. The second role, gap-filling, is closely associated with arbitrage function. His theory on ‘X’ efficacy is in the use of resources within the firm, ‘X’ efficiency either because the forms resources are used in the wrong way or because they are wasted, that is, not used at all.
David C. Me Celland (1961) identified three acquired needs, namely need for affiliation, power and achievement. He also identified two characteristics of entrepreneur namely “doing things in a new and better way” and “decision making under uncertainty”. He stressed the need for achievement orientation as most directly relevant factor to explain economic behavior of people to succeed as entrepreneur. He further explains that people with high achievement are not influenced by more rewards as compared to people with low achievement.

According to Knight J.H. (1965) an entrepreneur is a person who willingly carries on those responsible activities, which are neither insured nor give profit. He identifies the entrepreneurs as the recipient of pure profit in the midst of uncertainties. According to him, business uncertainties can be reduced through ‘consolidation’ which normally adopted by the entrepreneur to reduce total uncertainty by pooling individual instance. A elasticity of supply of self confidence is the single most important determinant of the level of profit of the entrepreneurs.

Schultz (1975) argues that entrepreneurship is closely connected to situations of disequilibria and that the entrepreneurship is the ability to deal with these situations. In disequilibrium, agents are acting sub-optimally and can reallocate their resources to achieve a higher level of satisfaction. Entrepreneurship is the ability to coordinate this reallocation efficiently and it follows that agents have different degrees of entrepreneurial ability. Schultz
argues that, in disequilibrium, individuals know that opportunities to increase satisfaction exist but the reallocating process requires time. A better allocation of resources can be achieved either by experimenting (trial and error) or by investing in human capital. Schultz argues that entrepreneurship exists in all aspects of life. Thus, housewives and students are entrepreneurs when reallocating their time for housework or student activities. Furthermore, since entrepreneurship is an ability that can be augmented by investment, as Schultz argues, that a market for entrepreneurship exists and that it is possible to analyse entrepreneurship within the conventional supply and demand framework (Hebert and Link 1988).

Kirzner (1997) introduced “adjustment price” as major role of the entrepreneur. According to him alertness to disequilibrium, namely wrong price and buying behavior of the consumer were the distinguishing characteristics of the entrepreneur. Alertness enables some individuals to intervene the market by changing the price while other individuals simply responded by changing the buying and selling price in live of the new price. Kirzner tries to explain the behavior of an individual in terms of purposeful human action and to consider to what extend the purposeful human action can interact to produce unexpected out comes. According to him the alertness of the entrepreneur will bring equilibrium from disequilibrium. Fie argues that the economy is in a constant state of disequilibrium due to stocks, which an intelligent entrepreneur will make to equilibrium through opportunities exploration.
Throughout the evolution of entrepreneurship theory, different scholars have posited different characteristics that they believe are common among most entrepreneurs. In general, entrepreneurs are risk-bearers, coordinators and organisers, gap-fillers, leaders, and innovators or creative imitators. Although this list of characteristics is by no means fully comprehensive, but it helps to explain why some people become entrepreneurs while others do not.

1.3 Role and Significance of Entrepreneurs in Economic Development

India is still a developing nation. It needs lot of efforts put into both primary as well as secondary sector to enhance the development progress (Kamala Singh 1992). The Indian economy has been witnessing a drastic change since mid-1991, with new policies of economic liberalisation, globalisation and privatisation initiated by the Indian Government. India has great entrepreneurial potential (Sougata et. al. 1996). At present, entrepreneurs are the pillars of the Indian economic development in terms of creating employment, export and their productivity. They are business leaders who look for ideas and put them into effect in fostering economic growth and development of the enterprises and nation (Vidyu Lata 1990). They play a key role in the development of industrial sector of nation and also in the development of farm and service sectors. Some of the significant contributions made by entrepreneurs are discussed below.
1.3.1 Entrepreneurs Promote Capital Formation: Entrepreneurs promote capital formation by mobilising the idle savings of people. They employ their own as well as borrowed capital for setting up and establish their enterprises. This kind of entrepreneurial activities leads to value addition and creation of wealth.

1.3.2 Entrepreneurs Create Large-Scale Employment Opportunities: India is a second populist nation in the world. Entrepreneurs provide immediate large-scale employment to the unemployed, which is a chronic problem of the nation. With the setting up of more and more units by entrepreneurs, both on small and large-scale, numerous job opportunities are created for others.

1.3.3 Entrepreneurs Increase Gross National Product and Per Capita Incomes:
Entrepreneurs are the risk bearers. They are always on the lookout for opportunities to take initiative. They explore and exploit opportunities, encourage effective resource mobilisation of capital and skill, bring new products and services and develop markets for growth of the economy. In this way, they help to increase the gross national product as well as per capita income of the people, which is a sign of economic growth of the nation.

1.3.4 Entrepreneurs Improve the Standard of Living of the People: Most of the Indian people live in rural area. Their earnings are very low when compare to the urban people. Entrepreneurs play a key role in increasing the standard of living of the people by adopting latest innovations in the production of wide variety of goods and services in large scale that too at a lower cost. This enables the people to avail better quality goods at lower prices, which results in the improvement of the standard of living.
1.3.5 Entrepreneurs Help to Promote Country's Export Trade: The nations economic stability is determined on the basis of balance of trade, which will help to receive more foreign exchange. The developed nations were registered high amount in export than import. Entrepreneurs help in promoting a country's export-trade, which is an important ingredient of economic development.

1.3.6 Entrepreneurs Promote Balanced Regional Development: In India both Central and State Governments provide lot of subsidies and incentives to the entrepreneurs who start their business establishment in the remote areas. The growth of industries and business in these remote areas lead to a large number of public benefits like road transport, health and education, entertainment. Setting up of more industries leads to more development of backward regions and thereby promotes balanced regional development of the nation.

1.3.7 Entrepreneurs Reduce Concentration of Economic Power: India has its bigger consumer market and it follows its own customs and tradition. Single window system or single manufacturer leads to the economic power. Industrial development normally leads to concentration of economic power in the hands of a few individuals, which results in the growth of monopolies. In order to redress this problem a large number of entrepreneurs need to be developed, which will help to reduce the concentration of economic power in few hands.
1.3.8 Entrepreneurs Create Wealth and Redistribution: India has a lot of natural resources but the resources are not fully utilised. Entrepreneurship stimulates equitable redistribution of wealth and income in the interest of the country to more people and geographic areas, thus giving benefit to larger sections of the society. Entrepreneurial activities generate more wealth creation activities and give a multiplier effect in the economy of the nation.

1.3.9 Entrepreneurs Induce Backward and Forward Linkages: Backward and forward linkages of the economy are very important phenomena for economic development process. Entrepreneurs like to work in an environment of change and try to maximise profits by innovation. When an enterprise is established in accordance with the changing technology, it induces backward and forward linkages, which stimulate the process of economic development in the country.

1.3.10 Entrepreneurs Facilitate Overall Development: Sustainable growth is essential for the constant growth of the developing nations. Entrepreneurs act as catalytic agents for change, which results in chain reaction. Once an enterprise is established, the process of industrialisation is set in motion.

1.4 Evolution of Women Entrepreneurship in India and in Tamil Nadu

In India, women’s participation in economic activity is common from time immemorial. The role of women has gone through several transitions. It took centuries for women’s roles to move in the present direction. They constitute half of the population and they are regarded as the “better half of the society”. But, our
society is still male dominated and women are not treated as equal partners both inside and outside home. At the same time, there are regions where women fight for and win freedom and opportunity to play their roles in a new context with new occupations and a new way of life,

In the 18th century, women had a significant role and a definite status in the social structure. Their informal trading activities in the International Distribution System have been well documented since early 1950s. In the year 1970 systematic efforts had been made by the Government to promote self-employment among women. Women entrepreneurship in India became popular in the late 1970s and now, more and more women are emerging as entrepreneurs in all kinds of economic activities. In the same way, due to economic compulsion women are engaged in entrepreneurial activities in the rural areas and they prefer informal sector as to enter easily as entrepreneurs.

Fifth Five Year Plan (1974-78) onwards that women’s development was recognised as an identified sector. The year 1980 provided the real breakthrough for women in many fields and many frontiers. During the 1990s, women were recognised as they were capable, competent, confident and assertive and had a clear idea about the ventures to be undertaken and they succeeded in them. Many women entered large-scale enterprises of their parents or husbands and proved their competence and capabilities. They acquired high self-esteem and the capability of solving the problems independently through economic independence.
In the last part of 20th century and the beginning of 21st century women have shared higher percentage in the informal work force as self employed in all fields of informal sector. With the growing awareness about business and the spread of education, they have entered new areas such as engineering, electronics and energy and acquired expertise in these fields. Many of the new industries are headed and guided by women. However, in India a large number of highly educated women do not seek employment.

In Tamil Nadu, women occupied a very low status in medieval and early modern society in the Madras Presidency. They were suppressed due to lack of educational facilities, prevalence of child marriages, prohibition of widow remarriages and existence of Devadasi system.

A Majority of the women were engaged in agriculture than in manufacturing or services sectors. In the manufacturing sector, women worked as beedi workers and engaged as manual labourers in cotton textiles, fishing, and food processing and workers in the match Industry.

In a traditionally conservative society like Tamil Nadu, risk-aversion was common. Women were behind the average man, having to contend with gender barriers in financial institutions, discouragement by the family members, lower levels of education and confidence. The present socio-economic status of rural women in the State has remarkably changed with the formation of SHGs, which started on an experimental basis in 1989 in the rural areas. It helped poor rural women to enter the entrepreneurial world and it also helped them to develop self confidence and awareness, communication, courage, economic independence, mobility, management and technical skills.
The women of SHG assisted by some NGOs and with a little Government support gained momentum and developed into strong local institutions. They provided legitimate avenues for social mobilisation with access to inputs, such as training, banking services, better awareness and Government services. Most of them were in the informal sector, now running micro enterprises or home-based production units such as basket making, mat weaving, tailoring, beedi making, lace making and the production of agarbathi, candles, garments, telephone mats, handicrafts, paper dice, ink, soaps, washing powder, snacks, idly shop, fruit juices, pickles and jams squa

1.5 Growth and Development of Women Entrepreneurship in India and in Tamil Nadu

Women entrepreneurs in the four Southern States and Maharashtra account for over 40 per cent of all women entrepreneurs led small-scale industrial units in India. Table 1.1 further shows that only one-third of the (33 per cent) registered enterprise are women entrepreneurs.

Fifth Five Year Plan (1974-78) onwards their role has been explicitly recognised with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of the Indian plan priorities. Several policies and programmes are being implemented by both Central and State governments for the development of women entrepreneurship in India.
## Table 1: Women Entrepreneurship in India

*(in 2007-08)*

<table>
<thead>
<tr>
<th>S.No.</th>
<th>States</th>
<th>No. of Units Registered</th>
<th>No. of Women Entrepreneurs</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tamil Nadu</td>
<td>9618</td>
<td>2930</td>
<td>30.36</td>
</tr>
<tr>
<td>2</td>
<td>Uttar Pradesh</td>
<td>7980</td>
<td>3180</td>
<td>39.84</td>
</tr>
<tr>
<td>3</td>
<td>Kerala</td>
<td>5487</td>
<td>2135</td>
<td>38.91</td>
</tr>
<tr>
<td>4</td>
<td>Punjab</td>
<td>4791</td>
<td>1618</td>
<td>33.77</td>
</tr>
<tr>
<td>5</td>
<td>Mahararastra</td>
<td>4339</td>
<td>1394</td>
<td>32.12</td>
</tr>
<tr>
<td>6</td>
<td>Gujrat</td>
<td>3872</td>
<td>1538</td>
<td>39.72</td>
</tr>
<tr>
<td>7</td>
<td>Kamatka</td>
<td>3822</td>
<td>1026</td>
<td>26.84</td>
</tr>
<tr>
<td>8</td>
<td>Madhya Pradesh</td>
<td>2967</td>
<td>842</td>
<td>28.84</td>
</tr>
<tr>
<td>9</td>
<td>Other States &amp; UTs</td>
<td>14576</td>
<td>4185</td>
<td>28.71</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>57,452</strong></td>
<td><strong>18,848</strong></td>
<td><strong>32.81</strong></td>
</tr>
</tbody>
</table>

*Source: Economic Survey 2008-09*

Recent decades have shown that phenomenal changes in the status and work place diversity of women in India. Women entrepreneurs are doing business in two categories. While the first category create and manager entrepreneurial activity in which there was no income generating male, the second category of the women entrepreneurs take enormous courage to break through the social maps and coding to take up a new ventures.
1.5.1 Initiatives of Women Entrepreneurs

Women entrepreneurs have achieved remarkable success. The Micro, Small and Medium Enterprises Development Organisation (MSME-DO), the various State Small Industries Development Corporations (SSIDCs), the nationalised banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs). To cater the needs of potential women entrepreneurs, who may not have adequate educational background and skills, MSME-DO has introduced process/product oriented EDPs in areas like TV repairing, printed circuit boards, leather goods, screen printing and etc.

A special prize to "Outstanding Women Entrepreneur" of the year is being given to recognise achievements made by women and provide incentives to women entrepreneurs. The Office of Development Commissioner of MSME has also opened a Women Cell to provide coordination and assistance to women entrepreneurs facing specific problems. There are several other schemes of the government like the Income Generating Scheme, implemented by the Department of Women and Child Development, which provides assistance for setting up training-cum-income generating activities for needy women to make them economically independent.
The Small Industries Development Bank of India (SIDBI) has been implementing two special schemes for women namely “Mahila Udyam Nidhi”, which is an exclusive scheme for providing equity to women entrepreneurs and the “Mahila Vikas Nidhi” which offers developmental assistance for pursuit of income generating activities to women. The SIDBI has also taken initiative to set up an informal channel for credit needs on soft terms giving special emphasis to women. Over and above, SIDBI also provides training for credit utilisation as also credit delivery skills for the executives of voluntary organisations working for women. Grant for setting up a production unit is also available under Socio-Economic Programme of Central Social Welfare Board.
Table 1.2: Micro, Small and Medium Enterprises in India (In 2005)

<table>
<thead>
<tr>
<th>SI.NO.</th>
<th>Characteristics</th>
<th>(Lakhs)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Registered Sector</td>
<td>Unregistered Sector</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td><strong>Total Number of Working Enterprises</strong></td>
<td>15.64</td>
<td>362.12</td>
<td>377.76</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Manufacturing</td>
<td>10.5</td>
<td>104.51</td>
<td>115.01</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Services</td>
<td>5.14</td>
<td>241.61</td>
<td>246.75</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Number of rural enterprises</td>
<td>7.07</td>
<td>193.12</td>
<td>200.19</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Number of urban enterprises</td>
<td>8.57</td>
<td>153</td>
<td>161.57</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Number of Women Enterprises</strong></td>
<td>2.15</td>
<td>24.46</td>
<td>26.6</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Number of enterprises running perennially</td>
<td>15.14</td>
<td>189.13</td>
<td>204.27</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td><strong>Employment</strong></td>
<td>93.09</td>
<td>712.14</td>
<td>805.24</td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>Manufacturing</td>
<td>80.84</td>
<td>239.23</td>
<td>320.07</td>
<td></td>
</tr>
<tr>
<td>6.2</td>
<td>Services</td>
<td>12.26</td>
<td>472.91</td>
<td>485.17</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td><strong>Employment</strong></td>
<td>93.09</td>
<td>712.14</td>
<td>805.24</td>
<td></td>
</tr>
<tr>
<td>7.1</td>
<td>Male</td>
<td>74.05</td>
<td>610.62</td>
<td>684.68</td>
<td></td>
</tr>
<tr>
<td>7.2</td>
<td>Female</td>
<td>19.04</td>
<td>101.52</td>
<td>120.56</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td><strong>Enterprises by type of Social Category</strong></td>
<td>15.64</td>
<td>346.12</td>
<td>361.76</td>
<td></td>
</tr>
<tr>
<td>8.1</td>
<td>SC</td>
<td>1.19</td>
<td>27.15</td>
<td>28.34</td>
<td></td>
</tr>
<tr>
<td>8.2</td>
<td>ST</td>
<td>0.45</td>
<td>20.4</td>
<td>20.84</td>
<td></td>
</tr>
<tr>
<td>8.3</td>
<td>OBC</td>
<td>5.99</td>
<td>145.74</td>
<td>151.73</td>
<td></td>
</tr>
<tr>
<td>8.4</td>
<td>Others</td>
<td>8.01</td>
<td>149.55</td>
<td>157.57</td>
<td></td>
</tr>
<tr>
<td>8.5</td>
<td>Not Responded</td>
<td>0</td>
<td>3.27</td>
<td>3.27</td>
<td></td>
</tr>
</tbody>
</table>


Table 1.2 shows the status of Micro, Small and Medium enterprise sectors in India in 2005. Among the registered and unregistered sectors, the unregistered sector outnumber the registered sectors. Out of 377.76 Micro Small and Medium Enterprises, 96 percent fall in to unregistered sector. The unregistered sectors play
a major role in providing employment to the different category of people. The number of women enterprises established in 2005 was 26.6 lakhs, which constitutes 7.35 per cent of the total MSMES of which the unregistered sectors constitute 6.75 per cent and registered sectors constitute 13.75 per cent. Out of 26.6 lakhs women enterprises 92 per cent of the women enterprises were found in unregistered sector category. The unregistered MSMES led generated employment to 89 percent of the women employees.

There is an assessment of the current position of women entrepreneurs, as well as of the existing support programmes such as credit, training and marketing support for women to establish their own enterprises. The tradition, customs, socio cultural values, ethics, motherhood, subordinates physically weak, hard work areas, feeling of insecurity, are some of the problems that the Tamil Nadu women are facing now. These areas need to be improved in near future.

1.5.2 Women in Informal Sector

Informal sector constitutes an important part of Indian economy. In 1972, the term “informal sector” was first used by the International labour organisation (ILO) to denote a wide range of small and unregistered economic activities. It consists of all activities that fall outside the formal, not registered, taxed, licensed, statistically documented and approximately zoned business enterprises (Thomas 1998).
The National commission on enterprises in unorganised sector (NCEUS) defines that the informal sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sales and production of goods and services operated on a proprietary or partnership basis with less than ten total workers. In most developing countries women are the active players in the informal sector (Mbeche, 2002). Despite all social hurdles, many women have been successful in their works.

1.5.3 Women Entrepreneurs In Informal Sector

Women entrepreneurs are found in all countries and contribute more and more to the global economy (Bosnia and Harding 2006). Until now, a widespread assumption has been that such women engaged in informal entrepreneurship are necessity-entrepreneurs engaged in low-paid, menial, exploitative work in the absence of alternative means of livelihood (Chen et. al. 2004 and ILO 2002)

It is estimated that presently women entrepreneurs account for about 10 per cent of the entrepreneurs in India (Barhate 2012). Entrepreneurship is traditionally considered to be a male dominated pursuit, but the number of women entering entrepreneurship is increasing comparatively. They have multiple roles and responsibilities in their family and also in their business. Now a days, women are not only independent but also have their autonomy in many aspects such as politics, education, socially and economically. They have the liberty of expressing their own ideas and displeasures on a variety of matters (Brindley, 2005).
The contribution of rural women entrepreneurs in the informal sector to the economy was unrecognised till today. The problems and difficulties faced by them are unnoticed. Lack of mobility and capital investment was the major problem of rural entrepreneurs. They are facing various constraints both financially and socially. Dual role of women increases their work-family conflicts, lack of proper assistance and knowledge act as the barriers for rural women entrepreneurship to run their business.

Rural women entering into entrepreneurship are mainly due to their external circumstance like poor economic condition, widowhood, divorce or gender discrimination. They are using entrepreneurship as a coping strategy to overcome their problems. They have various skills towards running a business but the exposure towards business in rural area is limited.

1.6 Government Supportive Measures for Women Entrepreneurship Development

1.6.1 National Resource Centre for Women (NRCW)

An autonomous body set up under the National Commission for Women Act, 1990 to orient and sensitisie policy planners towards women’s issues, facilitating leadership training and creating a national database in the field of women’s development.

1.6.2 Women’s India Trust (WIT)

WIT is a charitable organisation established in 1968 to develop skills of women and to earn a regular income by providing training and employment opportunities to the needy and unskilled women of all communities in and around Mumbai.
1.6.3 Women Development Corporation (WDC)

WDCs were set up in 1986 to create sustained income generating activities for women to provide better employment avenues for women so as to make them economically independent and self-reliant.

1.6.4 Development of Women and Children in Urban Area (DWCUA)

DWCUA was introduced in 1997 to organise the urban poor among women in socio-economic self-employment activity groups with the dual objective of providing self-employment opportunities and social strength to them.

1.6.5 Association of Women Entrepreneurs of Karnataka (AWAKE)

AWAKE was constituted by a team of women entrepreneurs in Bangalore with a view to helping other women in different ways - to prepare project report, to secure finance, to choose and use a product, to deal with bureaucratic hassles, to tackle labour problems, etc.

1.6.6 Working Women’s Forum (WWF)

WWF was founded in Chennai for the development of poor working women to rescue petty traders from the clutches of middlemen and to make them confident entrepreneurs in their own right. The beneficiaries are fisher women, lace makers, beedi making women, landless women labourers and agarbathi workers.
1.6.7 Association of Women Entrepreneurs of Small Scale Industries (AWESSI)

It was founded in Ambattur in Chennai in 1984 to promote, protect and encourage women entrepreneurs and their interests in South India to seek work and co-operate with the Central and State Government services and other Government agencies and to promote measures for the furtherance and protection of small-scale industries.

1.6.8 Women’s Occupational Training Directorate

It organises regular skill training courses at basic, advanced and post advanced levels. There are 10 Regional Vocational Training Institutes (RVTIs) in different parts of the country, besides a National Vocational Training Institute (NVTI) at Noida.

1.6.9 Aid the Weaker Trust (ATWT)

ATWT was constituted in Bangalore by a group of activists to impart training to women in printing. It is the only one in Asia. Its benefits are available to women all over Karnataka. It provides economic assistance and equips girls with expertise in various aspects of printing and building up self-confidence.

1.6.10 Self-Employed Women’s Association (SEWA)

SEWA is a trade union registered in 1972. It is an organisation of poor self-employed women workers. SEWA’s main goals are to organise women workers to obtain full employment and self-reliance.
1.6.11 Women Entrepreneurship of Maharashtra (WIMA)

It was set up in 1985 with its head office in Pune to provide a forum for members and help them sell their products. It also provides training to its members. It has established industrial estates in New Mumbai and Hadapsar.

1.6.12 Self- Help Group (SHG)

An association of women constituted mainly for the purpose of uplifting the women belonging to the Below Poverty Line (BPL) categories to the Above Poverty Line (APL) category. The major activities of the group are income generation programmes, informal banking, credit, unions, health and nutritional programmes.

1.6.13 Tie National Resource Centre for Women (NRCW)

An autonomous body set up to orient and sensitise policy planners towards women’s issues, facilitating leadership training and creating a national data base in the field of women’s development.

1.6.14 Women Development Cells (WDC)

In order to streamline gender development in banking and to have focused attention on coverage of women by banks, NABARD has been supporting setting up of Women Development Cells (WDCs) in Regional Rural Banks and Cooperative Banks.
Figure 1.1 institutions and Organizations Support to Women Entrepreneurs in India

Figure 1.2: Structure of Rural Women Entrepreneurship in India

Rural India (72%)
↓
Rural Women (50%)
↓

Unemployed (64.6%)
↓
Employed (35.4%)
↓

Self employed (2.3%)
↓
Working in Family Business (17.4%)
↓
Employed in some one else Business (15.7%)
↓

Actual Rural Entrepreneurs
BOTTLENECKS TO GROWTH
↓

Potential Rural women Entrepreneurs
↓

Small Investment
↓
Limited market
↓
Lack of entrepreneurial Development training
↓
Business not in area of interest
↓
Remedies of Proper growth
↓
Schemes of Financial Institution
↓
Active Role of NGO'S SHGs
↓
Proper Utilization of Schemes by Rural Women
↓
Growth of Potential Rural Women Entrepreneurs

Reference:
Financial Institutions Assisting Women Entrepreneurs in India

For the past several years, financial institutions have been playing pivotal roles in giving financial assistance and consultancy services to women entrepreneurs. These institutions include: i) National Small Industries Corporation (NSIC), ii) All-India Development Banks (AIDBs), such as IDBI, IFCI, ICICI, IIBI, IDFC and SIDBI, iii) Specialised Financial Institutions (SFIs), such as Exim Bank and NABARD, iv) Investment Institutions, namely LIC, GIC, NIC, NIA, QIC, UII and UTI, v) Regional/ State-Level Institutions, namely NEDFI, SIDCs and SFCs, vi) Commercial Banks and vii) Co-operative Banks.

Challenges and Scope of Women Entrepreneurs in India

Entrepreneurship is not a walk in the park for anyone and it can be even more challenging if you are of the “women persuasion”. Even with all of the advancements that women have made in the business world, there is still a long way to go before the success rate which is level between male and women entrepreneurs. Below are some of the top challenges that women entrepreneurs need to overcome in general in order for woman-owned businesses to be more successful as a whole.

1.7.1 Not Being Taken Seriously: Within the business world, women’s opinions and advice are not always viewed as “expert” compared to a man’s opinion. And when the women start a business, sometimes family, friends, and others in the business community can view it as a hobby or a side project to family duties, rather than a bona fide business.
1.7.2 Letting Fear Stand in the Way; In general, women can be less prone to taking risks and can let their own fears (such as the fear of failure, fear of success and fear of being on their own) stand in the way of “going for it” and pursuing the path of entrepreneurship. Confidence is a great way to combat these fears and the best way to feel confident in what you are doing is to make sure that you are as prepared as possible before you start your business endeavor.

1.7.3 Wanting to Please Everyone; Women are often taught to “be nice” and “people pleasers”, which can lead to seeking the approval of others. Subsequently, women can have a harder time saying “No”, which can lead to under-charging for their products/services or being too giving of their time and help in general. This typically comes at the expense of their personal needs, business or otherwise.

1.7.4 Wearing Too Many Hats: In their personal lives, women have a tendency to try to be everything to everyone and wear so many different hats that juggling everything becomes very difficult. So, when women add “entrepreneur” and “business owner” into the mix, this tendency is further magnified. Women can feel like they have to “do it for themselves” or are the best person for every job and have a tougher time delegating responsibilities to others. This causes more time to be spent working in their business, rather than on their business. This is a major hurdle to overcome in order to have a successful business.

1.7.5 Not being able to “Toot Your Own Horn”: Being able to speak about your accomplishments honestly and with pride is a necessity for a successful business owner or entrepreneur. Sometimes, women feel uncomfortable talking about their achievements and may feel like they are bragging or being too boastful.
The problems faced by women entrepreneurs in Tamil Nadu are family ties, male dominated society, lack of education, social barriers, shortage of raw materials, problem of finance, tough competition, high cost of production, low risk-bearing capacity, limited mobility, lack of entrepreneurial aptitude, limited managerial ability, legal formalities, exploitation by middle men and lack of self confidence. Women in rural areas Tamil Nadu have to suffer still further. They face tough resistance from men. They are considered as helpers. The attitude of society towards her and constraints in which she has to live and work are not very conducive. Whatever the difficulties they face, the women face the challenges and difficulties however they have a greater scope in near future. The SHG bank linkage programme, availability of micro credit and micro finance, woman exclusive bank like Mahila Bank, conducive entrepreneurship climate and other government supports help the women entrepreneur as a successful personalities in the 21st century.

1.8. Conclusion

Although women contribute more to the society but still they face several problems in the family and the society. They are economically weaker when compared to the male entrepreneurs and lack in balancing the family and business. Marketing of products and services into the competitive market environment also one of the tedious tasks to the women entrepreneurs. This study tries to assess the status and issues of informal sector women entrepreneurs in Dindigul district.