CHAPTER II

SCOPE FOR WOMEN ENTREPRENEURS IN THE INDIAN ECONOMY

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CHAPTER II

SCOPE FOR WOMEN ENTREPRENEURS IN THE INDIAN ECONOMY

2.1 Introduction

Women constitute around half of the total world population. So it is in India also. They are, therefore, regarded as the better half of the society. In traditional societies, they were confined to the four walls of houses performing household activities. In modern societies, they have come out of the four walls to participate in all sorts of activities. The global evidences buttress that women have been performing exceedingly well in different spheres of activities like academics, politics, administration, social work and so on. Now, they have started plunging into industry also and running their enterprise successfully. Therefore, while discussing on entrepreneurial development, it seems in the fitness of the content to study about the development of women entrepreneurs in the country. Entrepreneurship is a more suitable profession for women than regular employment in public and private sectors since they have to fulfill dual roles. Women have been taking increasing interest in recent years in income
generating activities, self employment and entrepreneurship. This is seen in respect to all kinds of women both in urban and rural areas. Women are taking up both traditional activities like knitting, pickle making, toy making, jam and jelly and also nontraditional activities like computer training, catering services, beauty parlour, gym and so on. It is clear that more and more women are coming forward to set up enterprises. Generally, women who initiate a micro-enterprise do it because of the factors which limit their capacity to start large ventures-low levels of self-confidence, little access to technical information, poor local market conditions, regulatory barriers and no access to capital. On the other hand, for some, micro enterprises offer a meaningful source of income and satisfaction. Women who try to enter an industry, either in managerial or in entrepreneurial role are generally exposed to various environmental constraints. Starting and operating business involves considerable risk and effort on the part of the entrepreneur, particularly in the light of highest failure rate. Perhaps, this rate is even higher in the case of women entrepreneurs who have to face not only the usual business problems but also their family problems. This not only limits the scope of their contribution to the industrialization process, but also undermines the productive utilization of an available human resource, that is most needed in our country. Development as entrepreneurs is a recently discovered phenomenon for women for which they need motivation, training and family support. Realizing the need for training, government started introducing several programmes. Critical evaluation of the existing governmental and nongovernmental efforts indicate that training and technical assistance offered are
not geared to suit the individual needs. They are only “capsule” inputs focusing interests of individual trainers and considering the training as an “end” in itself.

2.2 Women Entrepreneurship in Global Context

Worldwide, many women are entrepreneurs. Entrepreneurship emerges from an individual’s creative spirit into long-term business ownership, job creation, and economic security. Women bring commitment and integrity because they care about economic empowerment, entrepreneurial development and innovation. Female entrepreneurs seek the professional and personal support that is found in business associations. Economic globalization has encouraged the expansion of female business ownership.

“The growing economic power and influence of women-owned businesses are changing the shape of the global economy,” remarked Sakiko Fukuda-Parr, director of the UN Development Program’s Human Development Report. The global impact of women entrepreneurs is just beginning to gain intensity. Women Entrepreneurs in the Global Economy increase steadily. For example, women produce more than 80 percent of the food for Sub-Saharan Africa, 50-60 percent for Asia, 26 percent for the Caribbean, 34 percent for North Africa and the Middle East, and more than 30 percent for Latin America. Female entrepreneurs are active at all levels domestically, regionally, and globally. Women entrepreneurs are significantly affecting the global economy:

• Research about human capital factors in women’s entrepreneurship is more than 35 years old. (Greene Amy, 2009)

• Women in advanced market economies own more than 25% of all businesses
• In **Russia** - women own 64% of firms employing 10 people or more

• In **Germany** - women have created one-third of the new businesses since 1990 representing more than one million jobs. There are a total of 1.03 million women-owned businesses in Germany. Women-owned and managed businesses have an annual turnover of at least Euro 16,620 number 522,000, represent 18% of the total in this group, and provide jobs to 2 million employees. Their turnover is in total €232 billion, appr. 6% of the overall turnover or 11% of the turnover gained by owner managed firms. (Kay et al., 2003).

• In **France** - women head one out of four firms

• In **Swaziland** - Women account for about 70% of micro, small, and medium Enterprises

• In **Sweden** - Women start 28% of genuinely new firms and employ on average 0.6 full time employees compared 1.7 for men. (ITPS, 2002).

• In **UK** - There are approximately 1,013,000 self-employed women (7.6% of women in employment) and 2,706,000 self-employed men (17.4% of men in employment) in the UK. Survey evidence indicates that businesses that are wholly or majority female-owned account for between 12.3% - 16.5% of the UK business stock. A large proportion of female entrepreneurial activity takes place in businesses that are co-owned equally by men and women. If the definition of women’s enterprise included co-owned businesses (an approach often used by US researchers), it is estimated that between 34.1% - 41.2% of the UK small
business stock is either owned or co-owned by women. (Carter et al., 2006)

- In Romania - Between 2000 and 2006 women represented approximately 35.4% of all entrepreneurs (Noya Antonella, 2006).

- In Ireland - In terms of female entrepreneurship, current estimates suggest that around 15%-18% of established entrepreneurs are women.

- In the Czech Republic - Support for women entrepreneurs in the Czech Republic has become apparent in recent years. The SME support programmes, open to both genders, from the Ministry of Industry and Trade made 2,584 grants to women entrepreneurs, i.e. 17.1% of the total grants awarded. This represented financial aid of 9 million Euros to Czech business women, i.e. 5.7% of the total financial support available. Women entrepreneurs also owned 11% of the Limited Companies which obtained grants. (Women Entrepreneurs, 2001)

- In Hungary - women started more than 40% of all businesses since 1990

- In Poland - women own 38% of all businesses

- In Turkey - Men account for 73% of the formal labour force and women for 26%. Women are less likely to work in the private sector (16%) and even less likely to be business owners in businesses with employees (3.4%). More than 50% of women in employment are unpaid family workers; most are in the agricultural sector. As a vocation for women in Turkey, entrepreneurship has been held back by factors such as a patriarchal society, traditional gender roles, lack of education and lack of experience in the labour force. (Small and medium-sized, 2004).
- In Europe and Newly Independent States Transition Economies – 25% of women are the business owners.

- In USA - women own 38% of all businesses (8 million firms), employ 27.5 million people (or 1 in 5 workers), and generate $3.6 trillion in annual sales.

- In Canada - There are more than 821,000 women entrepreneurs and they contribute to an excess of CAD 181.09 billion to the economy annually. Between 1981 and 2001, the number of women entrepreneurs increased 208%, compared with a 38% increase for men. Average annual sales for women owned firms are significantly lower. In 2000, women-owned SMEs averaged CAD 311,289 in sales, compared with 654,294 in sales for firms owned by men (Sarmite and Bulte, 2003).

- In Mexico - 32% of women-owned businesses were started less than 5 years ago.

- In Japan - 23% of private firms are established by women.

- In China - women founded 25% of the businesses since 1978.

- In Taiwan - Women owned small and medium enterprises are small scale were 81.6% women employers employ 2-9 persons and 13.2% employ 10-29 persons. (Saikou, 2008).

- In Malaysia - there were 518,000 companies involved in services, manufacturing and agricultural sectors, of which 99.1 percent were SMEs. About 16 percent were women-owned companies’ with 89.5 percent of
them involved in the services sector, 7.5 percent in manufacturing and 3.0 percent in the agricultural sector. (Wendy et al., 2008).

- In **Iran** - 12 / 2 percent of women are economically active. (48 / 9 percent of the women are employed.) 5 percent of the employed women are managers. 57 percent of university graduated women are employed. 62 percent of those who enter the university are women (Behruzi, arash, 2008-09).

- In **South Korea** – the survey by Korean National Statistics office in 2008 shows that Women owned and managed firms. They represent 36% of all firms.

- In **Bangladesh** - Women entrepreneurs constitute less than 10% of the total business entrepreneurs. It is heartening to note that despite many barriers, a new women's entrepreneur class has arisen in the country taking on the challenge to work in a male-dominated, competitive and complex economic and business environment. (Hossain Abir, 2007).

- In **South Africa**, the total entrepreneurial activity rate for men is 8.1% compared to 4.9% for women. Men are 1.7 times more likely to be involved in entrepreneurial activity than women. This is slightly higher than the corresponding global average for 2002 of 1.6 times more. The overall difference between entrepreneurial activity rates of men and women in South Africa is largely due to the much higher opportunity entrepreneurial activity rates amongst men. Men are twice more likely to be involved in opportunity entrepreneurship than women. (Hendricks, Lindiwe, 2005).
• In Ethiopia - According to the Ethiopian Central Statistical Authority (2004), almost 50% of all new jobs created are attributable to small businesses and enterprises, and roughly 49% of new businesses that were operational between 1991 and 2003 were owned by women. According to Aregash (2005), 98% of business firms in Ethiopia are micro and small enterprises, out of which small enterprises represent 65% of all businesses. More than half of all women entrepreneurs in Ethiopia often face gender related challenges related to establishing new businesses as well as operating or expanding existing businesses. (Amha and Ademassie, 2004).

2.3 Women Empowerment and Planning Process in India

• First Five-Year Plan (1951-56) envisaged a number of welfare measures for women. Establishment of the Central Social Welfare Board, organization of Mahila Mandals and the Community Development Programmes were a few steps in this direction. The programmes for women were implemented through the National Extension Service Programmes through Community Development Blocks.

• Second Five-Year Plan (1956-61): The empowerment of women was closely linked with the overall approach of intensive agricultural development programmes.

• Third and Fourth Five-Year Plans (1961-66 and 1969-74) supported female education as a major welfare measure. They accorded high priority to women’s education. Measures to and other Interim improve maternal
and child health services, and supplementary Plans (1961-74) feeding for children, nursing and expectant mothers were also introduced.

- **Fifth Five-Year Plan (1974-79)** emphasized training of women, who were in need of income and protection. This plan coincided with International Women's Decade and the submission of Report of the Committee on the Status of Women in India. In 1976, Women's welfare and Development Bureau was set up under the Ministry of Social Welfare.

- **Sixth Five-Year Plan (1980-85)** saw a definite shift from welfare to development. It recognized women's lack of access to resources as a critical factor impeding their growth. This is regarded as a landmark in women's development. The Plan (1980-85) adopted a multidisciplinary approach with a three-pronged thrust on health, education and employment of women.

- **Seventh Five-Year Plan (1985-90)** emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generation of awareness with regards to rights and training in skills for better employment. Development programmes for women were continued, with the Plan (1985-90) objective of raising their economic and social status and bring them into the mainstream of national development. A very significant step therein was to identify and promote “beneficiary-oriented programmes” which extended direct benefits to women.
• **Eight Five-Year Plan (1992-97)** focused on empowering women, especially at the grass root level, through Panchayat Raj Institutions. It attempted to ensure that the benefits of development from Plan (1992-97) different sectors did not bypass women. Special programmes were implemented to complement the general development programmes. The flow of benefits to women in the three core sectors of education, health and employment were monitored vigilantly. Women were enabled to function as equal partners and participants in the developmental process with reservation in the membership of local bodies. This approach of the Eighth Plan marks a definite shift from ‘development’ to empowerment’ of women.

• **Ninth Five-Year Plan (1997-2002)** adopted a strategy of women’s component plan, under which not less than 30 percent of funds/benefits were earmarked for women-specific programmes. It envisaged
  a) Empowerment of women and socially disadvantaged groups such as Scheduled Castes, Scheduled Tribes and Other Backward Classes and Minorities as agents of socio-economic change and development.
  b) Promoting and developing people’s participatory institutions like Panchayati Raj institutions, co-operatives and self-help groups.
  c) Strengthening efforts to build self-reliance.
  d) The convergence of services from different sectors.
  e) A women’s component plan at the Central and State levels.

• **Tenth Five-Year Plan (2002-07)** aims at empowering women through translating the recently adopted National Policy for Empowerment of
Women (2001) into action and ensuring Survival, Protection and Development of women and children through rights based approach. It was formulated to ensure requisite access of women to information, resources and services, and advance gender equality goals.

- **Eleventh Five Year Plan (2007-2012):** The Eleventh Five Year Plan proposes to undertake special plan measures for gender empowerment and equity. The Ministry of Women and Child Development would make synergistic use of gender budget and gender mainstreaming process.

2.3.1 **Women’s Participation in Economic Activity in India**

India’s economy has undergone a substantial transformation since the country’s independence in 1947. Agriculture now accounts for only one-third of the gross domestic product (GDP), down from 59 percent in 1950, and a wide range of modern industries and support services now exist. In spite of these changes, agriculture continues to dominate employment, employing two-thirds of all workers. India faced economic problems in the late 1980s and early 1990s that were exacerbated by the Persian Gulf Crisis. Starting in 1992, India began to implement trade liberalization measures. The economy has grown—the GDP growth rate ranged between 5 and 7 percent annually over the period and considerable progress has been made in loosening government regulations, particularly restrictions on private businesses. Different sectors of economy have different experiences about the impact of the reforms. In a country like India, productive employment is central to poverty reduction strategy and to bring about economic equality in the society. But the results of unfettered operation of markets are not always
equitable, especially in India, where some groups are likely to be subjected to disadvantage as a result of globalization. Women constitute one such vulnerable group.

Since time immemorial, worth of the work done or services rendered by women has not been recognized. India is a multifaceted society where no generalization could apply to the entire nation's various regional, religious, social, and economic groups. Nevertheless, certain broad circumstances in which Indian women live affect the ways they participate in the economy. Indian society is extremely hierarchical with virtually everyone ranked relative to others according to their caste (or caste-like group), class, wealth, and power. This ranking even exists in areas where it is not openly acknowledged, such as certain business settings. Though specific customs vary from region to region within the country, there are different standards of behaviour for men and women that carry over into the work environment. Women are expected to be chaste and especially modest in all actions that may constrain their ability to perform in the workplace on an equal basis with men. Another related aspect of life in India is that women are generally confined to home thus restricting their mobility and face seclusion. The women face constraints beyond those already placed on them by other hierarchical practices. These cultural rules place some Indian women, particularly those of lower caste, in a paradoxical situation: when a family suffers economically, people often think that a woman should go out and work, yet at the same time the woman's participation in employment outside the home is viewed as "slightly inappropriate, subtly wrong, and definitely
dangerous to their chastity and womanly virtue". When a family recovers from an economic crisis or attempts to improve its status, women may be kept at home as a demonstration of the family's morality and as a symbol of its financial security. As in many other countries, working women of all segments of Indian society face various forms of discrimination including sexual harassment. Even professional women find discrimination to be prevalent: two-thirds of the women in one study felt that they had to work harder to receive the same benefits as comparably employed men.

A section of Indian women – the elite and the upper middle class – have gained by the exposure to the global network. More women are engaged in business enterprises, in international platforms like the Inter-Parliamentary Union, and have greater career opportunities as a result of international network. Free movement of goods and capital is helpful to this section. But most women continue to remain marginalized as they are generally employed in a chain of work and seldom allowed independent charge of her job. Sharing of responsibility at work place or taking independent decisions is still a remote possibility for them. Economic independence of women is important as it enhances their ability to take decisions and exercise freedom of choice, action. Many of the workingwomen, who control their own income, do contribute towards the economic needs of family as and when required. They often participate in discussions at their work place and their views are given due weightage before any final decision. Working women do use and spend their income at their own sweet will but sometimes permission of the husband becomes
necessary for the purpose. However when it comes to making investments, they often leave it to their husband or other male member of the family to invest on their behalf. Many of them do not take decision even in case of important investments like life insurance, national saving schemes or other tax saving investments. Workingwomen do feel concerned about the economic needs of the family but when not consulted in such matters, they regret being ignored especially when they contribute monetarily towards economic well being of the family. After globalization women are able to get more jobs but the work they get is more casual in nature or is the one that men do not prefer to do or is left by them to move to higher or better jobs. Globalization has indeed raised hopes of women for a better and elevated status arising out of increased chances to work but, at the same time, it has put them in a highly contradictory situation where they have the label of economically independent paid workers but are not able to enjoy their economic liberty in real sense of the term. India is the first among countries to give women equal franchise and has a highly credible record with regard to the enactment of laws to protect and promote the interests of women, but women continue to be denied economic, social and legal rights and privileges. Though they are considered to be equal partners in progress, they remain subjected to repression, marginalization and exploitation. It has been advocated by many researchers that independent earning opportunities reduce the economic dependence of women on men and increase their bargaining power in the family. This bargaining power depends on the nature of work she is employed in. But the income earning activities will increase the workload of a woman unless the
man accepts an increased share in domestic work. Since globalization is introducing technological inputs, women are being marginalized in economic activities, men traditionally being offered new scopes of learning and training. Consequently, female workers are joining the informal sector or casual labor force more than ever before. For instance, while new rice technology has given rise to higher use of female labor, the increased work-load for women is in operations that are unrecorded, and often unpaid, since these fall within the category of home production activities. The weaker sections, especially the women, are denied the physical care they deserve. There is, thus, hardly any ability for the majority of Indian women to do valuable functioning; the "capability" to choose from alternatives is conspicuous by absence.

Although most women in India work and contribute to the economy in one form or another, much of their work is not documented or accounted for in official statistics. Women plow fields and harvest crops while working on farms, women weave and make handicrafts while working in household industries, women sell food and gather wood while working in the informal sector. Additionally, women are traditionally responsible for the daily household chores like cooking, fetching water and looking after children. Although the cultural restrictions women face are changing, women are still not as free as men to participate in the formal economy. In the past, cultural restrictions were the primary impediments to female employment. Now however; the shortage of jobs throughout the country contributes to low female employment as well. The Indian census divides workers into two categories: "main" and "marginal" workers. Main workers include people who
worked for 6 months or more during the year, while marginal workers include those who worked for a shorter period. Many of these workers are agricultural laborers. Unpaid farm and family enterprise workers are supposed to be included in either the main worker or marginal worker category, as appropriate. Women account for a small proportion of the formal Indian labor force, even though the number of female main workers has grown faster in recent years than that of their male counterparts.

Since Indian culture hinders women's access to jobs in stores, factories, and the public sector, the informal sector is particularly important for women. More women may be involved in undocumented or "disguised" wage work than in the formal labor force. There are estimates that over 90 percent of workingwomen are involved in the informal sector and not included in, official statistics. The informal sector includes jobs such as domestic servant, small trader, artisan, or field laborer on a family farm. Most of these jobs are unskilled and low paying and do not provide benefits to the worker. Although such jobs are supposed to be recorded in the census, undercounting is likely because the boundaries between these activities and other forms of household work done by women are often clouded. Thus, the actual labor force participation rate for women is likely to be higher than that which can be calculated from available data. Women working in the informal sector of India's economy are also susceptible to critical financial risks. Particularly vulnerable are the poorest of the poor. Should they become ill, lose their job, or be unable to continue working, they and their families may fall into debt and find themselves in the depths of poverty. At risk are millions
of poor who depend on the income generated by one or more women in their household. These women do not have regular salaried employment with welfare benefits like workers in the organized sector of the labor markets. Female workers tend to be younger than males. One would expect that as cultural impediments to work decrease, younger women would be the ones entering the workforce; older women who have never worked in the formal sector are not likely to start working later in life. Throughout the economy, women tend to hold lower-level positions than men even when they have sufficient skills to perform higher-level jobs. Researchers have estimated that female agricultural laborers were usually paid 40 to 60 percent of the male wage. Even when women occupy similar positions and have similar educational levels, they earn just 80 percent of what men do, though this is better than in most developing countries. The public sector hires a greater share of women than does the private sector, but wages in the public sector are less egalitarian despite laws requiring equal pay for equal work. There is evidence that suggests that technological progress sometimes has a negative impact on women's employment opportunities. When a new technology is introduced to automate specific manual labor, women may lose their jobs because they are often responsible for the manual duties. For instance, one village irrigated its fields through a buck the system in which women were very active. When the village replaced the manual irrigation system with a tube well irrigation system, women lost their jobs. Many other examples exist where manual tasks such as wheat grinding and weeding are replaced by wheat grinding machines, herbicides, and other modern technologies. These
examples are not meant to suggest that women would be better off with the
menial jobs rather they illustrate how women have been pushed out of
traditional occupations. Women may not benefit from jobs created by the
introduction of new technology. New jobs like wheat grinding machine
operator usually go to men, and it is even rare for women to be employed in
the factories producing such equipment. National Sample Survey data
exemplify this trend. Since the 1970s, total female self-employment and
regular employment have been decreasing as a proportion of total
employment in rural areas, while casual labor has been increasing. Other data
reinforce the conclusion that employment options for female agricultural
workers have declined, and that many women seek casual work in other
sectors characterized by low wages and low productivity. Other agricultural
work includes workers involved with livestock, forestry, fishing and hunting,
plantations, orchards, and related activities.

Even if a woman is employed, she may not have control over the
money she earns, though this money often plays an important role in the
maintenance of the household. In Indian culture women are expected to
devote virtually all of their time, energy, and earnings to their family. Men, on
the other hand, are expected to spend time and at least some of their earnings
on activities outside the household. Research has shown that women
contribute a higher share of their earnings to the family and are less likely to
spend it on themselves. Research has suggested that as the share of the family
income contributed by woman increases, so does the likelihood that she will
manage this income. However, the extent to which women retain control over
their own income varies from household to household and region to region. Many women still seek their husbands' permission when they wanted to purchase something for themselves. In northern India, where more stringent cultural restrictions are in place, it is likely that few women control family finances. Conditions of working women in India have improved considerably in the recent years. Ironically, despite the improvement in their status, they still find themselves dependent on men. It is because of the fact that man in patriarchal society has always wielded economic independence and power to take decision. Since the working woman earns an independent income in the same patriarchal set-up, where the basic infrastructure of society has hardly changed, though her own role within the same structure is passing through a transitional phase, it is but natural that she would remain vulnerable to exploitation even in her economically independent state. Society perhaps yet needs to accord due recognition to women to take the lead role and women, at the same time; need to be oriented vigorously towards assuming this role in the society.

Employment is the primary channel through which economic growth reduces poverty. When employment opportunities improve as economic activity expands, the benefits of growth will be broadly shared. However, access to employment is not sufficient. Currently, estimates from the ILO suggest that over 500 million employed individuals worldwide live in households that fall below the dollar-a-day poverty line. Therefore, the quality of employment also matters. Informal employment represents a large share of total employment in many Asian countries. Moreover, informal employment is, on average,
precarious, low-paid, and risky. Therefore, understanding the links between informal employment, poverty, and human development are critical for formulating policy. Despite this reality, data and information sources are frequently inadequate for achieving this objective. This report identifies major conceptual and measurement issues associated with linking informal employment to poverty outcomes and suggests ways in which the current situation may be improved.

2.3.2 Labour Participation of Women in India

By gender ILO EAPEP estimates India’s working age population in 2008 to amount to 388.6 million men and 361.5 million women. With 328.6 million men and 129.0 million women being economically active, this implies LPRs of respectively 84.6 percent for men and only 35.7 percent for women, leading to the total rate of 61.0 percent. The 2008 female rate is only 42 percent of the male rate, and by far the lowest female rate across the 14 Decisions for Life countries. For 2000, the ILO estimates resulted in LPR’s of respectively 85.2 percent (men), 35.2 percent (women) and 61.1 percent (total) – thus, a very slightly higher total rate than in 2008, slightly lower for women and somewhat higher for men.
Table 2.1  
Employment by Industry and Gender, Employees India (in million)  

<table>
<thead>
<tr>
<th>Industry</th>
<th>All Persons</th>
<th>All percent</th>
<th>Female Persons</th>
<th>Female percent</th>
<th>Male Persons</th>
<th>Male percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing</td>
<td>148</td>
<td>5.6</td>
<td>48</td>
<td>9.6</td>
<td>100</td>
<td>4.7</td>
</tr>
<tr>
<td>Mining</td>
<td>109</td>
<td>4.1</td>
<td>8</td>
<td>1.5</td>
<td>101</td>
<td>4.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>562</td>
<td>21.3</td>
<td>94</td>
<td>18.7</td>
<td>478</td>
<td>22.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>91</td>
<td>3.4</td>
<td>5</td>
<td>1.1</td>
<td>86</td>
<td>4.0</td>
</tr>
<tr>
<td>Construction</td>
<td>96</td>
<td>3.6</td>
<td>7</td>
<td>1.3</td>
<td>89</td>
<td>4.1</td>
</tr>
<tr>
<td>Transport, Storage, Communication</td>
<td>284</td>
<td>10.7</td>
<td>19</td>
<td>3.8</td>
<td>265</td>
<td>12.3</td>
</tr>
<tr>
<td>Wholesale, Retail, Restaurants, Hotels</td>
<td>56</td>
<td>2.1</td>
<td>5</td>
<td>1.0</td>
<td>51</td>
<td>2.4</td>
</tr>
<tr>
<td>Finance, Real Estate, Business, Services</td>
<td>193</td>
<td>7.3</td>
<td>30</td>
<td>6.0</td>
<td>163</td>
<td>7.6</td>
</tr>
<tr>
<td>Community, Social, Personal Services</td>
<td>1107</td>
<td>41.9</td>
<td>285</td>
<td>56.9</td>
<td>822</td>
<td>38.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2646</strong></td>
<td><strong>100</strong></td>
<td><strong>502</strong></td>
<td><strong>100</strong></td>
<td><strong>2144</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Calculations based on ILO Laborsta.  

Table 2.1 reveals that the public sector is by far the largest employer in the organised sector, with 70 percent of all women and 58 percent of men employed, of which majorities in regional government. Second largest employer for both sexes is manufacturing, with nearly 19 percent of all females employed and 22 percent of all males. The third spot is for transport, storage and communication, though this applies for men, with over 12 percent of their organised employment against less than 4 percent for females. For females, with 7.5 percent finance, a real estate and business service is the third largest employer. In the end the share of commercial services in organised sector employment is extremely limited: at least 7 percent among females and
10 percent among males, plus an unknown but limited part of community, social and personal services. If public sector services are included, the service sector share increases to 68 percent for females (nearly 3.4 million employed) and 60 percent for men (12.9 million).

Table 2.2

**Industry Wise Employment Estimates (in million)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Formal</td>
<td>4.98</td>
<td>5.00</td>
<td>5.02</td>
<td>5.04</td>
<td>5.06</td>
<td>5.0</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>208.03</td>
<td>211.58</td>
<td>213.98</td>
<td>216.98</td>
<td>218.53</td>
<td>213.8</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>213.02</td>
<td>216.58</td>
<td>219.00</td>
<td>222.02</td>
<td>223.59</td>
<td>218.8</td>
<td>100</td>
</tr>
<tr>
<td>Industry</td>
<td>Formal</td>
<td>23.23</td>
<td>23.91</td>
<td>24.69</td>
<td>25.31</td>
<td>25.72</td>
<td>24.6</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>54.84</td>
<td>57.82</td>
<td>61.44</td>
<td>64.22</td>
<td>65.85</td>
<td>60.8</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>78.07</td>
<td>81.72</td>
<td>86.13</td>
<td>89.54</td>
<td>91.57</td>
<td>85.4</td>
<td>100</td>
</tr>
<tr>
<td>Services</td>
<td>Formal</td>
<td>30.43</td>
<td>31.06</td>
<td>31.75</td>
<td>32.43</td>
<td>33.06</td>
<td>31.7</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>79.61</td>
<td>84.45</td>
<td>90.05</td>
<td>95.68</td>
<td>100.87</td>
<td>90.1</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>110.04</td>
<td>115.51</td>
<td>121.80</td>
<td>128.10</td>
<td>133.94</td>
<td>121.9</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>Formal</td>
<td>58.64</td>
<td>59.97</td>
<td>61.46</td>
<td>62.78</td>
<td>63.84</td>
<td>61.3</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>342.49</td>
<td>353.85</td>
<td>365.47</td>
<td>376.88</td>
<td>385.26</td>
<td>364.8</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>401.13</td>
<td>413.82</td>
<td>426.93</td>
<td>439.66</td>
<td>449.09</td>
<td>426.1</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: NCEUS Report.

It is inferred from the table 2.2 that in agriculture sector, only 2 percent are involved in formal sector while 98 percent in informal sector, in case of industry, 29 percent are involved in formal sector while 71 percent in informal sector and in case of service sector, 26 percent are involved in formal sector while 74 percent in informal sector. On an overall employment scenario, 14 percent are involved in formal sector while 86 percent in informal sector. The growth of employment on various sectors between 2004 and 2009 has been
analysed with the help of trend percentages and it shows that there is an increase of 9 percent in case of formal sector and 12 percent each both in case of informal and total sector. The average growth is 5 percent and 6 percent each respectively for formal sector, informal and total sector.

2.3.3 Women Entrepreneurship in India

Recognition of any nation is dependent on the progress it makes in the fields of education, art, business, sports and so on. The strength of a nation is measured in terms of the impact it can make on world matters. A very important aspect of such an impact is entrepreneurship. Enterprise actually decides the pace and quantum of progress. Hence entrepreneurship is to be encouraged for two reasons; firstly to infuse the sense of enterprise based on one’s own potential which would benefit the society; secondly it creates a lot of job opportunities. The government alone cannot provide the wherewithal of livelihood for every citizen. Private enterprise lends a helping hand to the society and the government. Women entrepreneurship and the overall participation of women in the economy are closely related to each other. Though women constitute about 48 percent of the total population, their participation in the economic activities of the country is only 34 percent. The page of history show women as work force connected with the household. In other words they are the nurturers, pushed behind the scene either by default or by calculated maneuvers meant to keep them shrouded safely away from sight. Whatever the case may be, the time has come to make our women come out of the shell and use their enviable skill at seamless management exhibited in the way they run the household, starting from cooking and caring for the old people to actively participating in all occasions both
personal and social. Women have an inbuilt strength and stamina which again is exhibited by the way in which they withstand the onslaughts of the unjust ways of society, be it war-time or peace time. What is needed today is to mould our women in such a way they take up entrepreneurship as a vital option to earn a living.

Table 2.3

Women Entrepreneurs in India

<table>
<thead>
<tr>
<th>States</th>
<th>No of Units Registered</th>
<th>No. of Women Entrepreneurs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamil Nadu</td>
<td>9618</td>
<td>2930</td>
<td>30.36</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>7980</td>
<td>3180</td>
<td>39.84</td>
</tr>
<tr>
<td>Kerala</td>
<td>5487</td>
<td>2135</td>
<td>38.91</td>
</tr>
<tr>
<td>Punjab</td>
<td>4791</td>
<td>1618</td>
<td>33.77</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>4339</td>
<td>1394</td>
<td>32.12</td>
</tr>
<tr>
<td>Gujarat</td>
<td>3872</td>
<td>1538</td>
<td>39.72</td>
</tr>
<tr>
<td>Karnataka</td>
<td>3822</td>
<td>1026</td>
<td>26.84</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>2967</td>
<td>842</td>
<td>28.38</td>
</tr>
<tr>
<td>Bihar</td>
<td>7344</td>
<td>1123</td>
<td>15.04</td>
</tr>
<tr>
<td>Other States &amp; UTS</td>
<td>14576</td>
<td>4185</td>
<td>28.71</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64796</strong></td>
<td><strong>19971</strong></td>
<td><strong>32.82</strong></td>
</tr>
</tbody>
</table>


The above table depicts the fact that on an average 32.82 percent of the total registered enterprises were occupied by the women entrepreneurs in India. Among the states, Uttar Pradesh tops with 39.84 percent which is followed by Gujarat 39.72 percent, Kerala 38.91 percent, Punjab 33.77 percent, Maharashtra 32.12 percent, Tamil Nadu 30.36 percent, Other States and UTS 28.71 percent Madhya Pradesh 28.38 percent and Bihar 15.04 percent.
Table 2.4
Global Women Work Participation

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Percentage</th>
<th>Trend %</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>1970-1971</td>
<td>14.2</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>1980-1981</td>
<td>19.7</td>
<td>139</td>
</tr>
<tr>
<td></td>
<td>1990-1991</td>
<td>22.3</td>
<td>157</td>
</tr>
<tr>
<td></td>
<td>2010-2011</td>
<td>31.6</td>
<td>223</td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td></td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td></td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td>35</td>
<td></td>
</tr>
</tbody>
</table>


In India, the women work participation is getting on increased over the years from 1970 to 2011. By taking 1970-71 as the base year the growth rate is calculated which is 39 percent in the year 1980-81, 57 percent in the year 1990-91 and is 123 percent in the year 2010-11 which tell the magnitude of the development of women in India. The other countries USA, UK, Canada and Indonesia have above 40 percent of women work participation whereas the countries like France, Sri Lanka and Brazil have below 40 percent of women work participation.

Generally, the Steps that the women entrepreneurs in India has:

Earlier there was 3 Ks: 1. Kitchen, 2. Kids and 3. Knitting

Then came 3 Ps: 1. Powder, 2. Pappad and 3. Pickles
At present there are 4 Es: 1. Electricity, 2. Electronics, 3. Energy and 4. Engineering

2.4 Problems of Women Entrepreneurs in India

- The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal – male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.

- The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that woman’s loan repayment rates are higher than men's, women still face more difficulties in obtaining credit," often due to discriminatory attitudes of banks and informal lending groups.

- Entrepreneurs usually require financial assistance of some kind to launch their ventures - be it a formal bank loan or money from a savings account. Women in developing nations have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money. The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand.
Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business". The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.

Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations.

Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staff and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like, the intermediaries take major part of the surplus or profit. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area.
• The male-female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organisational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.

• Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

• Knowledge of latest technological changes, know how, and education level of the person are significant factors that affect business. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training. Although great advances are being made in technology, many women's illiteracy, structural difficulties, and lack of
access to technical training prevent the technology from being beneficial or even available to females.

• Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business, which is continuous risk taking and strategic cession making profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women folk in day-to-day life is high compared to male members, in business it is found opposite to that.

• Achievement motivation of the women folk are found to be less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.

• Finally high production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

2.4.1 Barriers of Women Entrepreneurs in India

• Socio Cultural and Psychological Barriers: The traditional role of women, gender identity with submissiveness, dependence, and obedience do not go very well with the competencies required for development of entrepreneurship such as
assertiveness, independence, risk taking and organizing. Women are submissive and incapable of independent thinking and decision making due to the age-old discrimination and deprivation, and fragmented education. As a result women cannot and do not take up entrepreneurship as a whole time job. Financial constraints: Women entrepreneurs generally face a great difficulty in obtaining credit for a number of reasons. Firstly, they do not have adequate saving of their own which is required as equity payment to get loan. Secondly they do not usually have any assets or property to show as collateral for loans as most of them are involved in domestic activities. They also lack marketing skills to put forward a viable business plan.

- **Lack of Access to Technology**: Lack of adequate training also acts as a barrier to access the latest and cost-effective technology, which makes their enterprises less competitive.

- **Managerial Constraints**: Poor location of the unit, tough competition from large and established units, lack of transport facility and difficulty to afford own vehicle are some of the common problems faced by women entrepreneurs. Family responsibilities, lack of mobility, limited choice of ideas, and low level of production, all together lead to managerial constraints. It is stated that lack of business training and low level of experience in general management positions affect the future growth of the organization, especially if the business is labor-intensive.

- **Lack of Access to Information Dissemination**: All these mentioned problems also lead to lack of adequate information about market trends, latest technology, various schemes of assistance, etc.
• **Lack of Marketing Facilities:** It is found that generally the enterprises run by women are of local nature catering to the local market without any proper market research of the profitability of the venture, which constrains the marketing of their products. Lack of market exposure, insufficient industrial awareness and low mobility, a majority of women entrepreneurs grow at a very low pace.

• **Growth Constraints:** Some of the studies which emphasize on the growth constraints faced by women entrepreneurs are summarized here. The growth rate of the ventures started by women is slower than those owned by men. It is stated that compared to men, women entrepreneurs tend to set lower business size, a threshold beyond which they prefer not to expand as they are more concerned about the risks involved in the fast growth.

2.5 **Steps taken by the Government of India**

Development of women has been a policy objective of the government since independence. Until the 70s the concept of women's development was mainly welfare oriented. In 1970s, there was a shift from welfare approach to development approach that recognised the mutually reinforcing nature of the process of development. The 80s adopted a multi-disciplinary approach with an emphasis on three core areas of health, education and employment. Women were given priorities in all the sectors including SSI sector. Government and non-government bodies have paid increasing attention to women's economic contribution through self-employment and industrial ventures. At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are Integrated Rural Development Programme (IRDP), Khadi And Village Industries
Commission (KVIC), Training of Rural Youth for Self-Employment (TRYSEM), Prime Minister's Rojgar Yojana (PMRY), Entrepreneurial Development programme (EDPs), Management Development programmes, Women's Development Corporations (WDCs), Marketing of Non-Farm Products of Rural Women (MAHIMA), Assistance to Rural Women in Non-Farm Development (ARWIND) schemes, Trade Related Entrepreneurship Assistance and Development (TREAD), Working Women's Forum, Indira Mahila Yojana, Indira Mahila Kendra, Mahila Samiti Yojana, Mahila Vikas Nidhi, Micro Credit Scheme, Rashtriya Mahila Kosh, SIDBI's Mahila Udyam Nidhi, Mahila Vikas Nidhi, SBI's Stree Shakti Scheme, NGO's Credit Schemes, Micro & Small Enterprises Cluster Development Programmes (MSE-CDP), National Banks for Agriculture and Rural Development's Schemes, Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP), Priyadarshini Project – A programme for Rural Women Empowerment and Livelihood in Mid Gangetic Plains, NABARD-KFW-SEWA Bank project and Exhibitions for women, under promotional package for Micro & Small enterprises approved by CCEA under marketing support. The efforts of government and its different agencies are ably supplemented by NGOs that are playing an equally important role in facilitating women empowerment. Despite concerted efforts of governments and NGOs there are certain gaps.

2.6 Women Entrepreneurship in Tamil Nadu

Traditionally, Tamil Nadu is one of the well-developed states in terms of industrial development. In the post liberalization era, Tamil Nadu has emerged as one of the front runners, by attracting a large number of investment proposals. It has been ranked as the third largest economy in India. But the
Government's efforts come only from 1970 onwards for the promotion of self-employment among women. In Tamil Nadu each city has its own set of products that are manufactured by women entrepreneurs using indigenous skills. Most of these products are made with locally available materials and the skills available in production are seldom found in other cities. Though traditional activities like production and sale of domestic items such as garments have been taken up by women since long, entrepreneurship on the modern lines has been found in industry and trade and service concerns only for the last one decade or so.

The modern Tamil Nadu woman is different from the housewife of the past, to whom selling or running a business carried a stigma which she found difficult to shake off. Women entrepreneurs in Tamil Nadu possess organizational abilities, marketing skills, entrepreneurial skills and efficiency and novel ideas. Many women have vaulted the barriers of conditioning and reaped the rewards of a globalizing economy. According to Lakshmi V. Venkatesan, Founder trustee of Bharatiya Yuva Shakthi Trust (BYST), “women in Tamil Nadu are the best entrepreneurs in the country; they have shown that they could make excellent entrepreneurs if they get support by way of finance and guidance.” Urban women have good ideas about business; the success rate is very high, whereas the success rate of individual woman in semi-urban areas is much less, i.e., 20 to 30 percent. In rural areas the relative percentage is only 10. In rural areas, individual woman is not successful, since she does not have any idea about the business. Women are successful when they undertake group activities like Self Help Group (SHG), since they get very good awareness from it about the government agencies, financial institutions, their schemes and opportunity to
utilize these facilities. Family support is the main criterion for running business. Otherwise, women can run business only at micro finance level.

2.6.1 Evolution of Women Entrepreneurship in Tamil Nadu

Women were engaged more in agriculture than in manufacturing or services. In the manufacturing sector, women worked as beedi workers and as manual labourers for cotton textiles, fish and food processing and match industry. A few were involved in the manufacturing of electronic and electrical goods. In a traditionally conservative society like Tamil Nadu, risk-aversion was common. Women were a further step behind the average man, having to contend with gender barriers in financial institutions, discouragement in families, lower levels of education and confidence. The position 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, communication, independence, mobility, management and technical skills. Assisted by some NGOs and with a little Government support, this movement gained momentum and developed into strong local institutions. Most of them in the informal sector are now running micro enterprises or home-based production units such as basket making, mat weaving, beedi making, lace making and the production of agar bathi, candles, garments, telephone mats, handicrafts, paper dice, ink, soaps, washing powder, snacks, fruit juices, pickles, jams, squash, vattal and so on.
2.6.2 Organizations Promoting Women Entrepreneurship in Tamil Nadu

The Integrated Women Development Institute

The institute was set up in 1989 to uplift women and girl children from the distressing situation they encounter, by setting up income generating programmes for deserving women to become self-employment.

The Tamil Nadu Corporation for Development of Women Ltd

The corporation was set up in December 1986 under the companies Act, 1956 to focus empowerment of women, to encourage entrepreneurship among women, to identify trade and industries suitable for women, to undertake marketing activities for products manufactured by women and encourage women to form SHGs through giving training and extending credit facilities.

Women Entrepreneurship Promotional Association (WEPA):

WEPA functioning in Chennai is an association of women entrepreneurs, providing training to women in various fields. The association also conducts exhibitions for the members and assists in marketing of the product of members.

Marketing Organisation of Women Entrepreneurs (MOOWES)

MOOWES provides comprehensive support to women entrepreneurs to achieve success in the business. Its main aim is to aid women in marketing their products through exhibition and thus provide an opportunity to tour the country also.
Schemes for Women Entrepreneurship in Tamil Nadu

**Indira Mahila Yojana (IMY):** The IMY is a scheme which aims at organizing women at grass root level to facilitate their participation in decision-making and their empowerment. The Scheme was launched in 1995 on pilot basis in 200 blocks over a strategy to coordinate and integrate components of sectoral programmes and facilitates their convergence to empower women.

**Women in Industrial Parks:** Five Industrial Parks were set up in Tamil Nadu exclusively for women entrepreneurs in Chennai, Tiruchirappalli, Salem, Madurai and Coimbatore.

**Vocational and Skill Development Programmers:** The major focus of the Tamil Nadu Corporation for Development of Women Ltd., has been to provide support to economically disadvantaged women. The Corporation is funding entrepreneurial programmes, which is opened to all potential women entrepreneurs, preferably first generation. The EDP programme commenced in 1998-99, which is conducted by the Industry and Commerce at Chennai and Madurai. The major focus of the Corporation has been to provide support to economically disadvantaged women. The Corporation is funding entrepreneurial programmes, which is opened to all potential women entrepreneurs, preferably first generation.

**Mahalir Thittam:** Mahalir Thittam is participatory, people centred and process oriented project. It was started in 1997-98 which is directed towards empowerment of women and capacity building of poor women in rural areas through Self Help Groups. It covers the entire state of Tamil Nadu. Currently the coverage extends to rural areas of all the 30 districts of Tamil Nadu it is an
unusual long term partnership between three agencies—the state government, nongovernmental organization and banks including NABARD and other financial institution. It provides inexpensive and timely credit to SHGs. provides training for the development of communication skill, provides entrepreneurship development training, facilitates to participate in exhibitions, collective negotiation/bargaining, facilitate emergence of structures like marketing unions and dissemination of information about markets.

**Support to Training and Employment Programme for Women (STEP):** The programme of STEP launched in 1987 aims to upgrade the skills of poor and assetless women, mobilize and provide employment to them on a sustainable basis in the traditional sectors of agriculture, small animal husbandry, dairying, fisheries, handlooms, handicrafts, khadi and village industries and sericulture, social forestry and waste land development.

**Women Entrepreneurs Development Programme:** Women’s development has been given top priority in 1997-98. The Government of Tamil Nadu has stressed the need to augment resource for such programmes. Women Entrepreneurs particularly, the first generation are given paucity of margin money assistance to start their ventures by getting finance from the financial institution. To overcome the difficulties experienced by these entrepreneurs. Government has sanctioned a sum of Rs.30.00 lakh to give the first generation women entrepreneurs a subsidy of 10 per cent margin money support to the project cost subject to a ceiling of Rs.50,000.

**New Anna Marumalarchi Thittam:** Government of Tamil Nadu has implemented New Anna Marumalarchi Thittam for the promotion of Agro based
food processing and other related industries in rural areas to generate rural employment and thereby improve the rural economy. The projects which have commenced production include food products like mango pulp, fruit pulp, edible oil refining, chips and Agro-based projects like modern rice mills using polishers and color sorters and so on. The other projects include cold storages, manufacturing of eco-friendly products of coir such as coir pith blocks, herbal products like aloe vera gel, herbal medicines, eucalyptus oil, export-oriented aquaculture items like shrimp, fresh water prawns, floriculture products like flower concentrates from jasmine, export-oriented horticulture products like cut flowers and so on. In order to enthuse the potential investors in the district to take up industrial ventures in agro-based and food processing sectors in rural areas, the Government has ordered a Special Entrepreneurship Development Programme through reputed training institutions like Central Food Training and Research Institute, Mysore, Tamil Nadu Agriculture University, Coimbatore, National Institute of Small Industries Extension Training, Hyderabad.

2.6.3 Financial Institution Assisting Women Entrepreneurship in Tamil Nadu

In Tamil Nadu Industrial Cooperative Bank Limited, Tamil Nadu Industrial Investment Corporation (TIIC), Tamil Nadu Adi Dravidar Housing Development Corporation (TAHDCO), Regional/Rural Banks, Public Sector Bank, Private Sector Banks, etc. provide financial assistance to women entrepreneurs. In Tamil Nadu there are 36 specialised SSI commercial bank branches functioning in different places. Some banks like Indian Overseas Bank,
Egmore, and Chennai have a Mahila Banking Branch which is meant mainly for women and managed by women.

**Tamil Nadu Industrial Cooperative Bank Limited (TAICO Bank Ltd.)**

TAICO Bank Ltd was established in 1961 for providing credit facilities to the Industrial Cooperative Societies. The bank also extends loan assistance to SSI/Tiny Sector, small road transport operators and traders. The Reserve Bank of India has recognized the TAICO Bank to provide credit facilities to the Industrial Cooperative Societies under NABARD Refinance Scheme.

**Tamil Nadu Industrial Investment Corporation (TIIC)**

TIIC was incorporated in 1949 as a banking company (exempted from Banking Regulations Act) under the Companies Act. It is a premier financial institution that fosters industrial development of Tamil Nadu. It provides financial assistance to tiny/small/medium/large scale industrial units, professionals and transport vehicles operators. Under the general scheme, term loan assistance is provided for small and medium scale industrial units to set up new industries and expansion/ modernization/ diversification of the existing units. Women entrepreneurs could avail assistance to set up new projects if the project cost doesn’t exceed Rs.10.00 lakh.

**2.6.4 Development Agencies in Tamil Nadu**

**Tamil Nadu Industrial Development Corporation Limited (TIDCO)**

TIDCO a wholly owned Government of Tamil Nadu Enterprise, was incorporated as limited company in the year 1965 in order to identify and promote the establishment of large and medium scale industries with in the state
of Tamil Nadu in association with private companies and individual entrepreneur. TIDCO is also registered with the Reserve Bank of India as non-banking financial company. TIDCO has been specified as public financial institution within the meaning of section 4A of the companies Act, 1956. TIDCO is the promotional arm of the government of Tamil Nadu, which gives top priority to promotion of infrastructure development projects besides power generation, petrochemicals, pharmaceutical, telecom and agro based industries in associated with private promoters. TIDCO has been a major player and facilitator in the state's industrial development. Over the years, TIDCO has moved away from public sector investments and currently focuses on equity partnership in joint ventures.

**Tamil Nadu Corporation for Industrial Infrastructure Development Ltd. (TACID)**

TACID has been constituted to develop industrial infrastructure facilities. This is an exclusive agency, concentrating solely on development of appropriate infrastructure in industrial area. This corporation is involved in the establishment of new growth centers and development of ports, convention centers, finance and business centers and water supply sector.

**Tamil Nadu Small Industries Development Corporation Limited, (SIDCO)**

SIDCO is a Government of Tamil Nadu undertaking, established in October 1970 with the specific objective of promoting and developing small scale industries (SSIs) in the state. SIDCO has developed 41 industrial estates and manages 35 Government industrial estates on agency terms.
TANSTIA

TANSTIA is apex body recognized by the state and central government, which was established in 1956. It provides specific services to women through entrepreneurial development programmes.

Tamil Nadu Khadi and Village Industries Board:

The Tamil Nadu Khadi and Village Industries Board was formed in April 1960 under the Tamil Nadu Khadi and Village industries Board Act, 1956 to tap tremendous employment opportunities in rural industries and to provide employment opportunities. The object of the Board is to develop the Khadi and Village Industries in rural areas in collaboration with likeminded agencies engaged in rural development work. The Board is the authority to register co-operative societies formed by likeminded people under the Co-operative Societies Act to develop Khadi and Village Industries. The Board through these Co-operative Societies also promotes Khadi and Village Industries and thereby provides maximum possible level of employment opportunities to the rural artisans. The State and Central Government provide financial support in the form of grants to the Board for supply of beehives to the rural folks and Tribal in Hill areas, for modernization of looms to weavers and other equipments to village artisans.

Department of Industries and Commerce (DIC)

The Department of Industries and Commerce is the Nodal Agency for Development of Industries in general and small scale industries in particular in the State of Tamil Nadu. The role of this department is to plan and implement
various schemes for the promotion of industries. Various activities undertaken by DIC are:

- To provide entrepreneurial guidance through Data Bank, Information Centres and Technical Information Sections attached to various District Industries Centres.
- Registration and promotion of small scale industries and Industrial Cooperative Societies.
- Assistance for import of capital goods, machinery and scarce raw materials.
- Offering various testing facilities for chemicals, metals, metallurgical, electrical, electronic gadgets and appliances.
- Implementation of Quality Control Act on household electrical appliances.
- Implementation of Centrally sponsored schemes like self employment programme for the educated unemployed youth under Prime Minister’s Rozgar Yojana Scheme.
- Creating awareness of the various policies and programmes of the Government through seminars and dissemination meets.
- Conducting of entrepreneur’s development programmes.
- Sanction and disbursement of various subsidies and incentives such as State Capital Subsidy, Generator Subsidy, power Tariff Subsidy, Interest Free Sales Tax Deferral/Waiver, Margin Money Assistance for sick units.
- Export promotion
• Conducting of techno-economical surveys.

• Development and promotion of cottage and handicrafts industries.

• Training facilities in the field of light engineering tool and dye designing etc.

2.7 Conclusion

Independence brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteeing their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the Government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change, and development activities have benefited only a small section of women that is the urban middle class women. The large majority of them are still unaffected by change and development. Hence it is observed that the steps taken by both the Central and State Government should have some strong policies of implementation with monitoring and feedback mechanism so that the benefits will reach the beneficiaries.
References


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