CHAPTER III

Small-Scale Women Entrepreneurship in Readymade Garment Industry - An Overview
3.1 Introduction

Human resource, both of men and women of working age constitutes the main strength of economic development of a nation. Women power forms an important segment of the labour force and the economic role played by them cannot be isolated from the framework of development. They make up one third of the national labour force and constitute half of the population. So their participation in the sphere of economic activities on par with men is necessary for the development of mankind. The economic status of women is now accepted as an indicator of a society’s stage of economic development. The equality of women with men would remain a myth till they become economically self-reliant.¹

The recognition of the productive capacities and capabilities of women in development is very recent though no longer due. Much of the impetus for raising interest in their role in development came from the UN Decade for women (1975-1985) and the events that accompanied it. It has forced a rethinking of development policies which began to conceptualise women as agents of productive process and identified marginalisation as the cause of their deteriorating status.² In India, there was a tangible shift of attitude in government and other social welfare organisation in trying to uplift the social

and economic standards of women. It was only during the Sixth Five Year Plan (1980-85), that the magnitude of women’s problem was perceived and the needs to make special efforts for their economic development were recognised. In the Seventh Five Year plan (1985-1990) there was a definite shift in focus from the welfare concept to development and empowerment concept in programming for women, thus ushering in a new thrust for their development. The Eighth Plan (1992-97) promised to ensure that benefits of development from different sectors do not bypass women. The Rashtriya Mahila Kosh was setup in 1993 to meet the credit needs of poor and assetless women. The Ninth Plan (1997-2002) made two significant changes in the strategy of planning for women. Firstly, “empowerment of women” became a primary objective and secondly the Plan attempted “Convergence of existing services” available in both women-specific and women related sectors. The Tenth Plan (2002-07) has made a major commitment towards “empowering women as the agent of socio-economic change and development”. Based on the recommendation of National Policy for Empowerment of Women, the Tenth Plan suggests a three-fold strategy for empowering women, through social empowerment, economic empowerment and gender justice.

An evaluation of various programmes for women’s revealed that all schemes centres around the concept of empowerment. Empowerment is a way of defining challenging and overcoming barriers in one’s life through which people increase their ability to shape their own lives and environment. As
Keller and Mbewe (1991) describe empowerment as a progress whereby women become able to organise themselves to increased self-reliance, to assert their independent right to make choices and to challenge and eliminate their own subordination.

“Empowerment of women is essential for an empowered and stable society”, said A.P.J Abdul Kalam, Former President of India on the occasion of International Women’s Day. Empowerment of women was essential as their thoughts and value systems led to the development of a good family, good society and ultimately a good nation. When women were empowered, society with stability was assured, he said while extending greetings to women for their role in shaping the destiny of the nation. Women empowerment should embody various factors like equality of work and wages, expansion of education, autonomy over reproductive life, access to ownership of land and property, training and technology, access to credit and markets. Among these various determinants, access to credit is one of the crucial factors. If women are to be empowered economically it is fundamental to provide them with channels of credit, employment, training leadership skills and social security. All these on the other hand require creation of an environment through suitable policies, programmes and adequate financial resources.

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3.2 Empowerment of women by Entrepreneurship

Entrepreneurship plays an imperative role in the growth of any society. Development of entrepreneurship culture and qualitative business development services are the major requirements for industrial growth. Entrepreneurship emerges from an individual's creative spirit into long-term business ownership, employment creation, capital formation and economic security. Entrepreneurial skills are essential for industrialisation and for alleviation of mass unemployment and poverty.

As technology speeds up lives, women are an emerging economic force, which cannot be neglected by the policy makers. Women are trying their level best to attain quality of opportunity in various ways which are different over the time and among societies. Women Entrepreneurship enables to pool the small capital resources and skill available with women. It paves the way for fuller utilisation of capital and also mobilises the female human potential.

Entrepreneurship is suitable to women and it is possible to do work when she has free time. A self employed woman is gaining better status and it enables her to take part in decision making in their family affairs.

Entrepreneurship can help women's economic independence and their improved social status. Through this economic independence automatically women gets empowerment also. Development of women entrepreneurship enables men to understand and appreciate women's abilities. This in turn can
lead rationalisation of domestic life and it creates awareness about the potentiality in women through which, individual families and society at large can benefit. Women entrepreneurship through enhancing their status with men also can lead to integration of women in economic development.

3.3 Concept of Women entrepreneurship

Women entrepreneurship is the process where women organise all the factors of production undertake risks, and provide employment to others. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called "women entrepreneurs". The Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a women entrepreneur is defined as "an enterprise owned and controlled by a women having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women”.

According to Medha Dubhashi Vinze, a women entrepreneur is a person who is an enterprising individual with an eye for opportunities and an uncanny vision, commercial acumen, with tremendous perseverance and above all a person who is willing to take risks with the unknown because of the adventurous spirit she possesses.5

According to Kamal Singh" A women entrepreneur can be defined as a confident innovative and creative women capable of achieving self economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life".

Thus a women entrepreneur is one who starts business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise.  

3.4 Evolution of Women entrepreneurship

Women’s contributions vary according to the structure, needs, customs, and attitudes of society. Women entered entrepreneurial activities because of poor economic conditions, high unemployment rates etc. In Babylonia, about 200BC, women were permitted to engage in business and to work as scribes. By 14th century, in England and France, women were frequently accepted on a par with men as carpenters saddlers, barbers, tailors and spurriers. Dressmaking and lace making guilds were competed

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6 Medha Dubhashi Vinze. op.cit., p. 115.
more with men for some jobs, but were concentrated primarily in textile
mills and clothing factories. In 1950, women made up nearly 25 per cent of
both industrial and service sectors of the developing countries. In 1980, it
increased to 28 per cent and 31 per cent respectively. Meanwhile, in
1,95,053 per cent of females and 65 per cent of males of industrialised
countries were in non-agricultural sectors. As a result of the economic
crises of the 1980s and the commercialisation and modernisation of the
economy, women lost employment in agriculture and industries. This
pushed women in urban areas to find out a suitable solution for generating
income, which resulted in the emergence of self-employment, largely in
micro business in the informal sector.

3.5 Importance of Women Entrepreneurship

Women perform an important role in building the real backbone of a
nation’s economy. It is imperative to note the participation of women in
economic activities as self-employed individuals. Many of the traditional
occupations open to women were mainly based on caste and creed and the
nature of self-employment was based on the standard of living. Presently,
not only are women generating employment for themselves in the
unorganised sector, they are also providing employment to others.

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Europe.United Nations:p34.
8 Shirley Nuss., Ettore Denti & Devid Viry.(1989). Women in the world of Work: Statistical
The country needs to mobilise and utilise fully all its resources including human resources. The participation of women in economic activities is necessary not only from a human resource point of view but is essential even for the objective of raising the status of women in society. In the dynamic world which is experiencing the effects of globalisation, privatisation and liberalisation, women entrepreneurs are likely to become an even more important part of the global quest for sustained economic growth and social development. The economic status of women is now accepted as an indicator of a society’s stage of development. Therefore, it becomes imperative for the government to frame policies for the development of entrepreneurship among women. The long-term objectives of the development programmes for women should aim to raise their economic and social status in order to bring them into the mainstream of national life and development. For this, due recognition has to be accorded to the role and contribution of women in the various social, economic, political and cultural activities.

3.6 Development of Women Entrepreneurship

Economic development is the result of contribution of the working population, both male and female in the region. Women constitute almost half of the population in the world; therefore, their contribution to the economy is significant. In the patriarchal traditional society, women folk were not expected to have a direct role in industrial and commercial
activities. In the modern society, the role and degree of integration of women in economic development is considered as the indicators of social advancement and the women’s economic independence.

Women everywhere in developed or developing economy in the world are becoming entrepreneurs. The profound structural changes taking place in the developed countries generate new opportunities for women. Changing sociological factors also contribute to this. Since the Second World War, there was a great flow of women to labour markets in the western world. They are found to be motivated by several factors such as need for independence and self-sufficiency, domestic financial requirements, increasing rate of divorcing and increasing number of women as head of households. Changing values and attitudes towards paid work also encourage members of wealthy family to seek self-realisation outside the home. This emerging pattern in the developed countries inspired their counter part in the developing countries. In any economy, whether developed or developing, not all women are content to the employees. A growing number are emerging as entrepreneurs. For low income women, the primary motivation is to earn income. But for many women entrepreneurs, such other objectives as self-realisation or doing something worthwhile are as important as earning a profit.
Promotion of self-employment of educated women is rather important for many reasons. Household women cannot accept a regular full-time employment for the double role which women have to play even now. It is not easy for them to find a job that will be suitable with family responsibilities and chores. Women who run their own enterprises are able to develop a working schedule that allows them to combine their domestic responsibilities and entrepreneurial duties. It not only gives them an independent income but also provides self-reliance and social status. Promotion of self-employment of educated women has additional advantage of creating more jobs for aspiring educated women. Self-employed women enterprises are creating employment for themselves and for others.

The overall context of Women Entrepreneurship Development can be described in terms of: (a) Macro environment within which women entrepreneurs create and develop their enterprises (b) the Meso sphere, the intermediary and institutional sphere within which women entrepreneurs can open and operational their enterprises, and (c) the micro sphere (the family and household sphere) within which the gender specific division of labour and decision making power shape women’s multiple identities, including his potential identity as an entrepreneur in a given cultural and ideological context. The macro environment comprised of many interconnecting structure and dynamics, including: laws and regulations,
competition, labour market, international trade, technology, credit facilities, natural resources, physical infrastructure etc. While the macro environment impacts upon all entrepreneurs there is much evidence to indicate that women are more disadvantaged than men in relation to the opportunities and barriers arising from these structures and dynamics. There is a large number of organisations involved in providing support services to entrepreneurs. However, for a variety of reasons many of these organisations tend to act as barriers when it comes to providing assistance to women entrepreneurs. At this level it is find that many of the organisation which implement policies and programmes, and lack of their support for women entrepreneurs contributes greatly to their continuing disempowerment. In many countries in south Asia women experience an unequal power relationship with men who are often reflected in persistent intra family inequalities in the distribution of tasks, in access and control over resources, as well as in intra household bargaining power, which typically also weakens a woman’s extra –household bargaining power. They are expected to carry household work, child rearing, and other tasks restrict their economic opportunities. The requirement that women should stay close to the home further limits their potentials in business.9

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3.7 Entrepreneurial Opportunities for Women

The impact of globalisation in all sectors of economic development is visible in a variety of ways like technological change, opening of new markets, changing social norms and so on, thus creating a favourable environment for more and more entrepreneurial activities for women. The main spring of globalisation, no doubt, is the development of information and communication Technology. Information and communication Technology have created new types of work that favour women.

One of the most powerful application of IT is electronic commerce. E-commerce, in the context of women empowerment, refers not just to selling of products and services online but to the promotion of a new class of IT array women the entrepreneurial behaviours of women by improving their innovativeness, decision making ability, access to various services and ability to co-ordinate the activities and people. Besides, it provides information to small business owners especially women, which will be helpful in expanding their horizons. Women entrepreneurs in India can secure gains from IT with little technical training. After an Internet training workshop for members of the Association for Support to Women Entrepreneurs (ASAFE) in Cameroon, Bio-vital an ASAFE member that manufactures cosmetics made from a French company that now buys 80 per cent of its production. Another important area is core IT sector empowerment. There are significant opportunities for women in software.
Network administration, education and training etc are the areas of IT where can benefit enormously. Women in India occupy 27 per cent of professional jobs in the software industry, which is worth 4 billion US dollars annually.

In urban cities, more and more women are successfully running day care centers, placement services, beauty parlours etc. In rural areas, Self help Groups (SHGs) bank linkage have changed the face of rural India. Women groups account for nearly 95 percent of SHGs, who use these funds to take up and expand micro businesses.

The dairy sector offers increasing employment opportunities for women as most of the dairy operations are carried out by women within the household. Women engage dairy activity easily because it is an agriculture related activity. Besides, they may not go out of their village to get employment elsewhere.

Employment opportunities for women are increasing in the garments sector and related activities; consequent to the growth in demand in the domestic market as well as in the export market. The expanding sector modern health care in the rural areas is another important service sector offering good employment opportunities for women. The system of micro finance is also contributing to the increase in the opportunities for employment and livelihood for women in a large way.
Craft sector has also increased employment opportunities for women. There is an increase in the female workforce participation particularly in rural home-based craft sector. There are large numbers of women artisans in embroidery and lace making, choir work, earthenware and printed textiles, weaving, leather ware and reed mat making etc.

3.8 Ready made Garments Industry-A new outlet of Textile Industry

Textile industry one of the oldest and largest industries in India occupies an outstanding place in the economy of the country by virtue of its contribution to the industrial output, employment generation, and foreign exchange earnings. It generates 20% of the total value of industrial output, accounts for about 5% of GDP and is the single largest foreign exchange earner, constituting more than 30% of the total exports of the country, and provides job for over 13 million workers.10

The textile industry has been a mother industry. It has been the fountain head of a number of other industries, some totally unrelated. It was so because with the resources generated by the textile industry and expertise that it provided, industrialists were able to venture into other lines.11 Three decades back, the textile industry engaged itself only in the manufacture of yarns and fabrics such as spinning, cotton, wool, silk or rayon fabrics into yarn; weaving or knitting yarn into clothes finishing the

fabric by dyeing, bleaching or printing and other preparatory or finishing operations. Fabrics were considered as the finished products of the textile industry. Ready made Garment is a product manufactured by cutting and sewing the fabrics is relatively a new outlet of textile industry. Thus the present activities of the textile industry include spinning, weaving and production of clothes and garment items. Nowadays, readymade garments are considered as the finished product of the textile industry. Therefore, the Readymade Garments sector forms an important segment in the broad based textile industry in India.

3.9 Concept of Readymade garments

Modern man is busily engaged in his routine work and domestic affairs as well. He hardly finds time even for recreation. In such a context, he cannot be blamed, if he perceives ‘approaching a tailor and visiting him repeatedly for getting stitched the cloth’ as a time-consum ing process. Besides, the traditional method of tailoring frequently results in imperfectness in terms of finishing. If a costly cloth tailored in a defective manner, it will create a mental agony for the person concerned. The concept of readymade /ready-to-wear garments has transpired in the textile market scenario as a remedial measure against the usual complaints of those who use tailor made cloths.

The name readymade garments implies the dresses or garments which are made available for final consumption and use, i.e., which are
ready for wearing. Without further processing one can wear these clothes. They are manufactured in large quantities by cutting and sewing the fabrics. They are not made as per any particular individual’s order as in the case of custom-made tailoring; instead they are produced in standard sizes and designs, meant for a large pool of probable buyers.

ENCARTA World English Dictionary, Macmillan India Ltd, Chennai, in its special Indian edition 1999, has given the meaning of ready made garments as “an item of clothing that is offered for sale in a standard sizes and completely finished, as opposed to clothing that is made to the customer specifications”. In other words, it is an item of clothing that is already made in standard sizes and designs, rather than one that is specially designed or tailored for an individual.

According to the Random House Dictionary, Random House, New York readymade garments means “any article of clothing, dresses, suits and other garments, made in advance for sale to any purchase, rather than to order, made for immediate use”.

Thus readymade garment industry has been defined as those establishments which cut and stitch different portions of fabrics of various sizes out of woven and knitted fabrics. This industry manufactures varieties of garments for various segments of customers in different areas.
The Readymade garments markets comprises with different segments. The total markets can be broken up into men’s wear, women’s wear, children’s wear and baby wear (Apparel fortnightly 2000). The magnitude of each segment is determined by the age group and the purchasing power of the prospective buyers. However, in the Kerala market, several other factors like occupation, socio-economic status, outlook towards fashion, situational relevance etc. are considered by the consumers while they decide to opt for ready-to wear instead of tailor – made clothes.

The men’s wear segment holds the apex position in the Kerala market in terms of the depth and width of the product line. Shirt and suits mainly constitute this segment. Based on brand, the men’s wear segment can be divided into four groups namely premium, national, local and unbranded. The premium sector is represented by the international brands which are sold at a high price. Local manufactures produce men’s wear under their brand name for the local market.

The amazing popularity of ‘Churidar’ among the women in Kerala has contributed much to the growth of the women’s wear segment of ready-to wear market. Economy, comfort durability and innovative fashion have uplifted Churidar as a ready-to wear item of mass consumption, considering the high potentials of this segment, many national as well as
local brands are competing with one another to win a sizeable market share. Consumers have a passion for readymade Churidar mainly because of its style, colour, finishing, texture, accessories etc, in order to cope with the fashion waves. Traditional folks artist are used as that inputs for developing innovative designs. “Since the appetite for new fashion in the modern society is insatiable, the Indian folk arts play, an important role in the present fashion world” (Jacob, M., Priya V & Anita., D,2001). In a micro sense, the women’s wear segment of ready to wear market constituted by Churidar is characterised by ample demand potential.

3.10 Evolution of Readymade garments industry in India

The cotton textile industry is the first major industry to develop among the modern Indian industries. It is the base on which the pyramid of the textile industrial sector of the country has been built. The Indian textile industry provides employment to around 28.90 lakhs workers accounting for 18% of all factory labour. The Indian textile industry is, at the crossroads having reached a stage which require appropriate restructuring. The process of restructuring is taking place with the installation of sophisticated shuttle- less looms.

In India, the readymade garment industry is considered as an offshoot of our textile industry, which dates back to the middle of the 19th century. There was no readymade garments industry worth the name till the drawn of independence, despite the fact that till particular industry call for
no extra ordinary skills or huge capital investment. India’s readymade garments industry is very small in relation to what might be expected in the context of the needed basic raw material for that industry.

It is very small in relation to its size in developed countries and some developing countries which have specialists in doing such work for the developed markets. In terms of major manufacturing countries for accounts for 30% of the world’s production of readymade garments followed by Japan with 14%, Germany 10% and U.K 9%, while Indian share in the world production stands at 1.3%.

The trend of ready made garments picked only in the early decades of the 20th century. In its early stage of development, readymade garments were limited to only cheap varieties of cloths and under garments apart from the needs of the defence personnel. The market then gradually extended to the high strata of society. Even in some of more industrialised countries; a major expansion of this industry did not take place until after the First World War. In India, the garments industry had to wait till the Second World War to get over its troubles. With the expansion of the sphere of industrialisation, better paid job alteration become variable to the relatively more skilled workers. This affected various sectors like clothing by way of shortage of labour, where returns to the workers were not commensurate with the degree of skill required to work.
The industry even after the introduction of power driven sewing machines or mechanical process of button holing or stitching or embroidery continued to be labour intensive. Availability of less expensive labour in developing countries, also attracted the garment merchants in developed countries for getting their consignments from the developing countries. The intensity of this factor increased considerably after the Second World War when the standard of living of the people in industrialised countries improved rapidly creating demand for garments which could not be met locally.

Another important factor besides income levels of the consumers and climate conditions prevalent in the country is the emergence of man-made fibre. Its lasting qualities and the facilities it affords for washing and easy wear has made it extremely popular. This has given fill up to the segment of the garment industry. The other factor which will work towards the same end is the unstitched fabric is going out of fashion among the younger generation in the urban as well as rural areas. These aspects will have to be considered for establishing and consolidating the garment industry for the home market. Garment for children have become an important aspect of the clothing pattern in India.

The overall demand for clothing has done up in the world because of increasing degree of industrialisation affecting clothing habits.
Increasing level of communication between countries leading to increased travel and has in turn paved the way to picking up different styles and fashions from different countries thereby creating a demand both seasonal and occasion wise. Many clothing manufacture’s in developing countries shift a part of their production capacity to developing countries as a result of rising production cost, particularly in the labour component of it. Lower cost and lower prices of the finished product manufactured in developing countries but purchased by developed countries helped to increase the demand for those garments. Quite a few manufacturers in developed countries have gone in for large scale vertical integration to obtain control over sales and promotion.

3.11 History and Development of Readymade Garment Industry

The second half of the 19th century witnessed the emergence of the readymade garment industry in the world. The department stores, set up in the United States and Western Europe during the years 1840-80, increased the consumer accessibility to the readymade garments which helped the initial growth of readymade garment consumption and production.12 The manufacturing facilities set up for army uniforms during world war, were then converted into readymade garment manufacturing units which resulted in the second phase of growth of this industry.

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The modern readymade garment industry began its rapid climb to prominence during the 1920s, when factory made clothing gained wider consumer acceptance and retailers recognised its business potential. The year following World War II witnessed further growth of mass production and marketing of garments and imports to the developed markets.

In India the Readymade garment industry has a recent origin. The industry could not acquire any shape until the Second World War.\(^\text{13}\) In pre-independence India, clothing styles were dictated by the dress habits of the dynasties that ruled different parts of India from time to time. On account of widespread poverty and destitution, people in general wore simple traditional dresses and costumes, which required almost no tailoring. However, during the Second World War several garment production units emerged, especially in Delhi, to cater to the requirements of the armed forces. The garment industry at that time was confined mainly to the supply of defence requirements for standard type of uniforms and the domestic demand continued to be met through custom-made tailoring. However the industry outgrew this stage very quickly. In subsequent years and soon became responsive to the domestic and export market. Several garment manufacturing units were set up in metropolitan cities like Delhi, Bombay, Madras, Calcutta for manufacturing varieties of garments for

various segments of customers. Thus the garment production activity gradually started taking the shape of an industry in the post independence period. With massive programme of industrialisation introduced through the Five-year Plans, new urban centres emerged as potential markets.

The garment industry got a sudden boost in 1960’s with the increase in global demand for Indian garments. The government of India introduced a new export policy in 1959. As a equal to this, a wide range of incentives were announced to promote expansion of the exports in garment trade. It facilitated easy import of machinery and equipment. In addition, the lucrative premium through import license provided an incentive to the growth of the industry.

The India’s settling in large numbers in the US and UK during the late 1960s and 1970s who acted as importers of Indian cotton garments and also the socio-political events of the paired led to a spurt in the growth of imports of garments from India. The need for mass production led to proliferations of several small-scale units. The cottage and small scale sector nature of the garment industry acquired during this period continues to exert its influence on the growth pattern of the industry.

The speedier export oriented growth the industry gave a fill up to the gradually growing production for domestic market as well. As

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Ibid., p.3.
attractive export promotion scheme for garments, the expanding domestic market and entry of a few large and medium sized units in the organised sector have contributed to further development of the industry during the 1970s. In 1981 the government again announced supportive measures to the export oriented units. The import policies for three years 1985-88 has further facilitated quicker access to imported input and promoted import substitutions technological upgradation and modernisation. The garment industry is one of the major sectors, which is expected to benefit from the liberalised policy of capital goods imports.

After the implementation of New Economic Policy in 1991, India has been passing through a period of socio-economic reforms involve privatisation, globalisation, devaluation, deregulation and stabilisation. The process of increasing interaction of domestic economics with the world economy termed as globalisation provides an added advantage to the developing countries with comparatively cheap labour in the field of labour intensive industries especially in textile and garment industry. The first half of the 1990’s thus witnesses an unprecedented growth of Readymade Garment industry in terms of number of units, industrial output employment and export. A mushroom growth of manufacturing units in small-scale sector and large scale organised sector happened during that period. The second half of 1990s also reflects a similar trend but at a lower extent.
Endowed with national advantages for textile production and trade, India could emerge as a front ranking nation in textile and garment sector. Besides this the government policy to encourage investment in the garment manufacturing sector has further enthuse the exporters to modernise and upgrade their production facilities. The setting up of Apparel Export Promotion Council (AEPC) under the auspices of the ministry of textile to monitor and embark upon aggressive export promotion programmes was an important landmark in the history of Readymade Garment in India.

The Readymade garment Industry possesses an enormous growth potential in terms of export earning shown by its during the past five years. This industry has advanced rapidly through the changing pattern of life style, urge for new fashion cloths etc. Besides this, the garment industry has been able to achieve a destination in terms of foreign exchange earner. Thus the accelerated growth during the last two decades brought the Ready made Garment Industry to the present position of commanding heights in industrial production, employment generation and precious foreign exchange earnings.

3.12 Women entrepreneurship in India

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990’s. Women Entrepreneurs need to be lauded for their increased utilisation of
modern technology increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organised sector. According to the second All India Census of registered Small Scale Industries (for the base year 1987-88) share of women in the SSI sector was only 7.70 per cent. In 1998, it is estimated that women entrepreneurs comprise about 12 per cent of the total entrepreneurs in India. It is also clear that this percentage is growing and if the prevailing trends continue, it is not unlikely that in another five years, women will comprise 20 percent of the entrepreneurial force in India.

Out of total 94,098 million people in India, in the 1990’s females comprised 437.10 million representing 46.5 percent of the total population there were 126.48 million women workforce, representing 28.9 percent of the female population. As per 1991 census, only 1,85,900 women accounting for 4.5 per cent of the total self employed persons in the country were recorded. Majority of them engaged in the unorganised sector like agriculture, agro based industries, handicrafts, handlooms and cotton based industries. Participation of women as industrial entrepreneurs, however, is comparatively a recent phenomenon. Commencing from 70’s onwards, there were more than 2,95,680 women entrepreneurs claiming 11.2 per cent of the total 2.64 million entrepreneurs in India during 1995-96. This is utmost double the percentage of women (5.2 percent) among the
total population of self employed during 1981. Of this, a majority was concentrated in low paid, low skilled, low technology and low productivity jobs in the rural and unorganised sector 0.90 percent (79.4 million) women workers were in the rural areas as against only 10 per cent in urban areas. Only 2.5 million a mere 12.4 percent of the total employed women workers were in the organised sector. During the Eighth Five Year Plan, the number of SSIs expected to rise from 1.7 million to 2.5 million, adding 0.8 million i.e., 1.6 lakh every year. A rough estimate showed that among the SSI entrepreneurs in the organised sector approximately 9 percent were women entrepreneurs. Their participation, however, is increasing. Considering the trend, women participation in another five years will be above 20 percent raising the number of women entrepreneurs to about 5 lakhs.\(^\text{15}\)

### 3.12.1 Evolution of Women Entrepreneurship in India

In India, women 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. There are some regions where women live in a barbarian era, chained and shackled to the social taboos, restrictions and lakshmanarekhas of others who frame a code of conduct. At the same time there are other 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.

As regards the ancient industries of India, family was the unit of production where women played an important role in the production process. Even in Mahenjodaro and Harappa culture, women shared a responsible position with men and helped in spinning and clay modeling and other simple arts and crafts. Women played a very pivotal role in creating household utility requirements and agricultural activities and weaving during the Vedic period. In the traditional economy, they played vital roles in agriculture industry and services. They were the makers of intoxicant soma-juice, a skilful task.\footnote{Sen Gupta Padmini. (1964). \textit{Women in India}. New Delhi: Deep & Deep publications Pvt Ltd. p.14} In the 18\textsuperscript{th} Century, women had a significant role in economy and a definite status in the social structure. Women’s informal trading activities in the international distribution system have been well documented since early 1950s. Since 1970 systematic efforts have 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 kind of economic activities.

According to the 1971 Census, the total female working population is about 13.8 per cent of the total work force. It was only from Fifth Five
Year plan (1974-78) onwards that women’s development was recognised as an identified sector. In 1980s provided the real breakthrough for women in many fields and many frontiers. During the 1990s, women 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. Women acquired high self-esteem and the capability of solving the problems independently through economic independence. In the 21st century women are becoming experts in all the fields. 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.

3.12.2 Growth of women entrepreneurship in India

The Indian society today calls for a speedy change due to increasing globalisation, impact of technology, impact of political economic and social changes in the attitudes and outlook of the people towards women and their role in the society. Consequently, women entry into business or say entrepreneurship is traced out, as an extension of their 3 K’s i.e, Kitchen, Kids, Knitting to 3 P’s viz Pickles, Power, Pap pad etc. With growing awareness about business and spread of education among women over the period, women have started shifting from 3P’s to engross to 3 modern E’s viz
Engineering, Electronics and Energy. They are participating and performing well in all spheres of activities such as academic, polities, administration space and industry. Simon Tata (Lakme) Smt. Sumati Morarji (Shipping Corporation), Smt Neena Malhotra (Exports) and Ekta Kapoor (Balaji Films) are some exemplary names of successful and accomplished women entrepreneurs in our country.

3.12.3 Need for Institutional Support for Women Entrepreneurship

Starting a business or industrial unit—say, enterprise in short requires various resources and facilities. Small scale enterprises, given their small resources, find it difficult to have these their own. Finance has been an important resource to start and run an enterprise because it facilitates the entrepreneurs to procure land, labour, material, machine and so on from different parties to run his/her enterprise. Hence, finance is considered as “life blood” for an enterprise. Recognising it, the Government through her financial institutions and nationalised banks, etc to come forward to help small entrepreneurs provide them funds. Admittedly, finance is an important resource but not the only condition to run an enterprise. In order to start any economic activity, a minimum level of prior built-up of infrastructural facilities is needed.\footnote{T.S. Papola & R.T Tiwari.(1981). Impact of concessional finance on industrial Development of Backward Areas—a study in Uttar Pradesh, Mimeo, Giri institute of Development studies. p. 35.} Financial assistance and concessions cannot, in any case, adequately compensate for the deficiencies of infrastructure such as transport
and communication. This is one of the reasons why industries have not been developing in backward areas in spite of financial assistance and concession given by the government to the entrepreneurs to establish industries in backward areas. Creation of infrastructural facilities involves huge funds which small entrepreneurs do lack. In view of this, various Central and State Government Institutions have come forward to help small entrepreneurs in this regard by providing them various kinds of support and facilities. Availability of the institutional support helps make the economic environment more conducive to business and industry.

Following are the important national agencies which is playing their role directly or indirectly for the development of women entrepreneurship in all over the country.

1 Small Industries Development Organisation (SIDO)

The Small Industries Development Organisation (SIDO) functions as an apex body concerned with the policy, co-ordinating the institutional activities both the central and state levels for implementing programmes for development of Small Scale Industries and infrastructure for sustained and organised growth.

The activities of SIDO relate to modern small-scale industries sector excluding those which fall with the purview of specialised Boards such as Khadi and Village industries Commission, all India handloom, Handicrafts,
Sericulture and Coir Boards. The SIDO provides a comprehensive range of extension service ranging from selection of suitable line of production to marketing of the final product. The SIDO functions through Small Industries Service Institute (SISI), Extension Centres, Regional Testing Centres (RTC), Tool Rooms and Training Centres and Production Centres. SIDO has 5 allied institutions namely National Small Industries Corporation, Central Institute of Tool Design, Institute for Design of Electrical Measuring Instruments and Small industry Extension Training Institute.

2 National Small Industries Corporation (NSIC)

Materials and motivational inputs, directed activities and structural changes have helped the corporation to expand its services to small entrepreneurs both in qualitative and quantitative terms. The corporation provides industrial finance by way of supply of machines on hire purchases to small industrial units all over the country. Presently, in India, under its Marketing Assistance Programmes the corporation envisages not only large markets for the products of small scale industries, but also ensure availability of certain scarce indigenous as well as imported raw materials and inculcation of quality control consciousness. A multi-faceted approach has been adopted in this direction. The NSIC through its network of SISI and Branch institute and Extension centres has been motivating women entrepreneurs to take up small industries of their own. Technical assistance and guidance is being provided to them on type of products and activities which could be taken up
by them for gainful employment. A number of project profiles have been prepared suiting the requirements of women entrepreneurs. In addition, the entrepreneurial development training courses are being conducted exclusively for women entrepreneurs normally covering a duration of one month.

3 Small Industries Service Institute (SISI)

Necessary assistance is being given to all women entrepreneurs who are interested in starting Small-Scale Industries (SSI). This institute is the principal technical and business consultants to the SSIs and during the last 30 years they have done credible work in the development of SSIs. The institute is placing great emphasis for creating entrepreneurs in the weaker section and in women of our country.

4 National Research Development Corporation of India (NRDIC)

The NRDIC is a Government of India enterprise established in December, 1953 as a non-profit organisation under the Companies Act, 1956. It has been specially created to develop and exploit indigenous know-how, inventions, patents and processes emanating from all types of R & D institutions in the country. During the past four decades of its existence, the corporation, having acquired a large number of technologies/processes has become a repository of indigenous technologies and inventions. Realising that economic independence of women would accelerate their improvement in the status of women-NRDCI is also promoting technologies, which are appropriate for women. The corporation has brought out a publication which
serves as a ready reference for women entrepreneurship and voluntary agencies working for the upliftment of women in India.

5 National Institutes for Entrepreneurship and Small Business Development (NIESBUD)

The National Institutes for Entrepreneurship and Small Business Development (NIESBUD) was established in 1983 by Ministry of industry, Government of India, as an apex body for co-ordinating and overseeing the activities of various institutions/agencies engaged in entrepreneurship development particularly in the area of Small business and industry. The activities of the institute include evolving effective training strategies and methodology; standardising model for training various target groups; formation scientific selection procedure; developing training aids; manual and tools, facilitating and supporting Central/State/other agencies in executing EDPs, conducting such programmes for promotion ,trainers and entrepreneurs which are commonly not undertaken by other agencies, maximising the benefits and accelerating the process of entrepreneurship development and above all organising all those activities that help, develop entrepreneurial culture in the society.

6 Small industries Development Bank of India (SIDBI)

Assistance to women entrepreneurs especially the rural poor women is one of the trust areas of Small Industries Development Bank of India
(SIDBI) policy. The SIDBI has formulated the following special schemes for the benefit of women entrepreneurs.

The objectives of schemes are:

a  To provide training and extension support to women entrepreneurs according to their skills and socio economic status.

b  To extend financial assistance on concessional terms and enable them to set up industrial units in the small scale sector.

7  Industries Finance Corporation of India (IFCI)

The IFCI has been introduced a scheme of interest subsidy for women entrepreneurs. The main objective of the scheme is to provide incentives to the women having acumen and entrepreneurial traits to contribute their industrial development of the country so that the avenues of self development and self employment are created for them. All industrial projects whether in rural cottage tiny small medium sector, if set up by women entrepreneurs as their own, with minimum financial stake of 51 per cent in the unit, will be covered under the scheme. The assistance under the schemes shall take the form of time subsidy, determinable on a case to case base and shall be equivalent to the amount of interest payable by the industrial unit set by the women entrepreneurs to the SFC or the state level financial institutions performing the role of SFC or Bank for the loan assistance disbursed for the project for a period of one year, subject to a ceiling of Rs 20,000 per annum;
provided the unit is promoted wholly by women entrepreneuriat there is no other corporate investment.

8 National Institute of Entrepreneurship Development

The institute is an apex body in the country which is firmly and exclusively engaged in the herculean task of entrepreneurship development the sound base of multiple development and reformation since its inception. The institute conducted so many general entrepreneurs program to promote local entrepreneurship in the various status of the country. The institute focus specially on weaker sections, less developed regions, decentralisation and so on is in consonance with national priorities.

9 Rashtriya Mahila Kosh (RMK)

The Government of India has established Rashtriya Mahila Kosh (National Credit fund for Women) on 30th March, 1993 with the following objective:

To undertake activities to provide credit as an instrument of socio-economic change for development of women.

To promote schemes for credit for women for

a  To sustain their existing employment
b  Promotion of further employment
c  Asset creation
d  Tiding over consumption, social and contingent needs.
10 Department of Small-scale industries

Department of Small Scale Industries, Government of India operates on Entrepreneurship Development Programme which aims at identifying and promoting potential entrepreneurs and developing entrepreneurship through structured programmes. Under this scheme, certain courses are conducted exclusively for the benefit of women entrepreneurs. The department of small scale industries, Government of India has organised a number of workshops on Trade Related Entrepreneurship Assistance and Development (TREAD) for the benefit of women with the support of UNDP, ITC and ILO. The TREAD programmes seek to economically empower women in rural and semi-urban areas through development of entrepreneurial skills elimination of various constraints faced by women strengthening trade support networks. These programmes provide (1) Management and trade related training (2) Information and guidance, counseling and follow up at one end of the entrepreneurship development spectrum as well as (3) Extensive activities to transfer marketable designs at the other end. With the increased access to skills, designs, credit, market linkages, market intelligence network and training , it is hoped that there will be substantial scope for women in rural and urban areas to improved their entrepreneurial abilities, both at the individual and group.
**Non-governmental agencies for promoting women entrepreneurship**

Following are some non-governmental agencies playing their role for the development of women entrepreneurship in the country.

1. **The National Alliance of Young entrepreneurs (NAYE)**

   The National Alliance of Young Entrepreneurs (NAYE) was set up to promote and develop entrepreneurship among women. The women’s wing NAYE was set up in 1975; the international year for women announced by UNO. The onward progress by the wing to secure rightful place for women in the national economy since then has been impressive. The women’s wing has set up chapters in five states. Other States Associations of women entrepreneurs have affiliated themselves with women’s wing of NAYE making it the most representative organisation of women entrepreneurs in the country. It also organises some national and international conferences on women entrepreneurship development.

2. **National Associations of Women Entrepreneurs and Executive (NAWE)**

   The National Associations of Women Entrepreneurs and Executive (NAWE) is an all India body and will be a non-political, non-profit, membership organisation to perform the following functions:

   (a) To act as a clearing house on problems and opportunities facing women entrepreneurs and executives at all levels and to assist them in their self development and protection.
(b) To act as a training and development institute so as to further equip women to be able to meet various challenges in their respective environments.

(c) To work closely with the industries and organisations concerned with women entrepreneurs and executives in establishing benchmarks on successful operations through research and analysis.

(d) To work closely with the Government and other public on the role of women entrepreneurs and executives in the overall economic, and social development of the country.

3 **Self employed Women’s Associations (SEWA)**

This association of self employed women has set up manages its own co-operative bank. SEWA is a trade union of around 15,000 women who has low paying jobs. The association is constantly fighting for liberal help from the government so as to effectively participate in rural and urban development programme based on entrepreneurship.

4 **Indian council of women entrepreneurs -New Delhi**

It is situated at New Delhi and also deeply engaged in the holistic approach of entrepreneurship movement. It is also rendering valuable services for the advancement of family entrepreneurship in the country.
5 **Federation of societies of women entrepreneurs (FISWE)**

A pioneering organisation engaged in promoting women entrepreneurship is actively involved in (a) providing market assistance to women entrepreneurs (b) Helping the women entrepreneurs to have an effective interaction with government officials and (c) evolving suitable guidance from time to time for promotion of entrepreneurship among women.

6 **FICCI ladies organisation**

This organisation inspires women to take active part in business and other fields. It organises meeting and discussions. It also recognises women who have made a mark in the field of industry.

7 **National Commission on self employed women in the informal sector**

The commission expects the vast network of Mahila Mandals in India to obtain raw materials credit and market assistance for women entrepreneurs. It has suggested consumer cooperative, supermarkets, State Emporiums and Government depots as channels for marketing products of women entrepreneurs. It assists women in getting entrepreneurial training. Training programmes are organised by the Small Industries Development Organisation (SIDO).District Industries Centres, State Small Industries Corporations Banks and director of industries training programmes are designed to help develop certain qualities, essential for running small-scale industries.
8 World Association of women Entrepreneurs (WAWE)

The association organise international conferences on women entrepreneurship. It participated in the Third international conference on Women Entrepreneurship sponsored by NAYE in New Delhi in 1984. Its aim to bring together all women who are qualified to take up an active part in employer organisation along with their male colleagues. It seeks to explore and advise on the mean by which the rights and duties of women in business and industry could be asserted and improved. The association has a membership of more than 2,70,000 women entrepreneurs from all over the world. Its chief has suggested that women from various international associations could enter into collaborative arrangements with their counterparts in India either for setting up new units in India or for import and export business.

9 Associated Country Women of the World (ACWW)

The association has one core women entrepreneurs as its members from 60 countries. They are mainly rural entrepreneurs. It provides a network through which member group can support and help one another. It is actively promoting women entrepreneurship in agriculture and rural industries.

3.13 Women in the Small scale Sector in India

As per the 1981 census, there were only 1,50,000 self–employed women, accounting for 5.2 per cent of the total self employed persons in
India. There were more than 1,53,260 women entrepreneurs claiming 9.01 per cent of the total 1.70 million entrepreneurs in 1988-89.\(^{18}\) As on 1995-96, the number of women entrepreneurs in the SSI sector was 2,97,696 with a share of 11.2 per cent in the total SSI sector. As on 2001-2002 there were 10,63,721 women enterprises in the total SSI sector and their relative percentage to total SSI sector was 10.11. It is estimated that women entrepreneurs currently constitute about 10 per cent of the total number of entrepreneurs in India and the percentage is growing every year. If the prevailing trends continue, it is likely that in another five years, women will constitute 20 per cent of the entrepreneurial force.\(^{19}\)

As per the Third All India Census the percentage of women enterprises was more than the percentage of units managed by women. Again, the number of women enterprises in the unregistered sector was more than the number of women enterprises in the registered SSI sector. Similar was the number of units managed by women. Table: 3.1 shows the women participation in SSI sector in India.

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\(^{19}\) Bindu Shridhar, (2005, April 3). Women Entrepreneurs. p.5
TABLE: 3.1  
Women participation in SSI sector in India

<table>
<thead>
<tr>
<th>Position of SSI sector</th>
<th>Total SSI sector</th>
<th>No. of women enterprises</th>
<th>Percentage</th>
<th>No. of units managed by women</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered SSI sector</td>
<td>1374974</td>
<td>137534</td>
<td>10.1</td>
<td>114361</td>
<td>8.32</td>
</tr>
<tr>
<td>Unregistered SSI sector</td>
<td>9146216</td>
<td>926187</td>
<td>10.13</td>
<td>880780</td>
<td>9.63</td>
</tr>
<tr>
<td>Total</td>
<td>10521190</td>
<td>1063721</td>
<td>10.11</td>
<td>995141</td>
<td>9.46</td>
</tr>
</tbody>
</table>


3.14 Readymade garments in the SSI sector in India

Small scale industries sector in India occupies an important position in the economic development of the nation especially in the context of creation of more employment and disposal of industry. The development of this sector generates more employment opportunities and thereby improves the standard of living of the people. The growth of small scale industries can remove the regional disparities through the dispersal of industries and thereby create a broad industrial base covering rural, semi-urban, remote and backward areas. It ensures diffusion of economic power and better distribution of national income.

The promotion of small-scale industries has been widely recommended as one of the most appropriate means of developing industries in over populated backward countries. A casual look at the

composition of the industrial sector in any country is enough to prove the fact that a great majority of its industrial entrepreneurs are concentrated in the small scale sector.\(^{21}\)

The government has reserved a number of items for production in the small scale sector as a measure to promote and develop small scale sector.\(^{22}\) The policy of reservation was initiated primarily as a promotional and protective measure vis-a-vis the large scale sector. Reservation grants protection to small-scale units by preventing fresh capacities being created in the large scale sector in the areas which are techno economically highly suitable for being taken up in the small scale sector.

Manufacture of Readymade Garments had been reserved for exclusive production by the ancillary /small-scale industrial undertakings through the reservation policy. In case large scale undertakings wished to take up manufacture of readymade garments, they were required to undertake an export obligation of a minimum of 50% of new additional production to be achieved within maximum period of three years.\(^{23}\)

### 3.15 Women Entrepreneurship in Kerala

Kerala presents a positive picture as far as women’s development is concerned. The statistical data also show that the number of women’s

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industrial units has increased from 7,551 in 1991 to 38,364 in 2000. Even though women entrepreneurs in Kerala have essential education; they are not outstanding in their role as entrepreneurs, as the majority of them undertake less risky ventures. According to Soosy Gerge Isacc, President of All Kerala Women’s Industries Association, nowadays, women entrepreneurs are neither hardworking nor willing to take risk which the women entrepreneurs of the previous generation took. Previously, most of the women entrepreneurs were engaged in some kind of manufacturing activities. Today, most of the enterprises set up by women entrepreneurs are of simple consumer products, like readymade garments, food products, toys, handicraft so rare in the service sector, such as X-rays, clinic, tailoring, beauty parlours, data processing, advertising, departmental stores and photo-copying. Only a few have entered steel furniture, electronics, plastics and other industries that require higher technology and innovative production process.

The Women Industries programme was launched by the Kerala Government in 1975 and was aimed to identify potential women entrepreneurs and to increase the employment opportunities for women. This programme, however, was not a success. About one-third of the registered units closed down, some of them ran at losses while only a few are still working satisfactorily. This poor performance could have been due to the socio-economic problems faced by women entrepreneurs.
3.15.1 Evolution of Women Entrepreneurship in Kerala

Kerala, being a 100 percent literate state, has made significant progress in the area of social development but the performance in the industrial sector has not been keeping pace with the potential of the state. In the earlier period, the low caste women were the most massive workforce in Travancore, Cochin and Malabar regions and were engaged mainly in the agricultural sector. British rule provided remunerative employment for women in rubber, tea, coffee and spices cultivation. It spread to coir, cashew, handloom and different sectors of construction activities, teaching, etc. Now the trend has changed. Their activities range from tailoring units to hi-tech IT centers.

3.15.2 Growth of Women Entrepreneurship in Kerala

Kerala is the only state in India where women outnumber men (with a sex ratio of 1058) not only in population but also in unemployment among educated. It shows the literacy level of women folk in the state. In respect of wage structure, employment, professions, service and technical scenarios women got equality with men. Women in Kerala have marked their presence in every walk of life such as freedom fight literature, politics, governance, social work, professions and fine art and so on.

However, there is no reliable data regarding the role of women in the entrepreneurial scenario of the state. The available data shows that the industrial sector of Kerala even days before the plan period was dominated
by small-scale traditional industries. It was in 1977-78 a census of small-scale industries made in the state as per the guidelines of the central Government. Even in that census and until 1970, no specific arrangements had been made to record the units organised and run by women. Since 1970s efforts were made in a systematic manner by government and private agencies to promote self employment among women.

Although women constitute half of the population, only minorities of them have active participation in the entrepreneurial sector. Majority of the working women were engaged in the unorganised sector as employees and when they start a business or industry that was confined to low technology and low investment traditional lines.

There were only 901 women owned small scale industrial units in the state by the end of March 1985. In 1984-85 women owned only 92.86 per cent of the Small- scale industries in the state. As on June 30th 1986 there were 221 women industrial cooperatives in the state. Kerala that has been placed in the first for highest degree of literacy among women in India is promoting women entrepreneurship with a spirit of dedication. The Kerala State government has set up ‘Centre for Management Development (CMD) as a lead agency to coordinate the efforts for entrepreneurship development in the state. The CMD has started a special programme for women entrepreneurs.
Kerala has an early history of state initiative towards the development of women entrepreneurship. Vigorous attempts were made by the state to promote women entrepreneurship by providing concessions and incentives to them through special programmes. In April 1975, the Government of Kerala launched a massive programme to promote small Scale industries in the state. It was designated to promote employment opportunities to the unemployed educated youth. The programme was to implement through Mini industrial Estates.

In 1975, in the international women year, a special scheme called Women Industries Development Programme(WIP) was drawn up for promoting and organising women industrial units, and women industrial co-operative societies in the state. Small scale and Cottage industrial units owned and managed by women, and in not less than 80 per cent of workers are women will be considered as women industries and they are eligible for special incentives and concessions under the scheme.

Vigorous efforts were made through seminars at the state and district levels in order to attract women to start industrial units. These seminars created a radical change in the attitude of educated women who were waiting for employment. During 1975-76 about 150 women’s industrial units were registered in the state.
Following are the important state level agencies which is playing their role directly or indirectly for the development of women entrepreneurship. They are:-

1 **District Industries Centre (DIC)**

   The Government of Kerala started District Industries Centres (DICs) in each revenue district by converting district offices of the Department of Industries and Commerce with effect from July 1, 1978 in an attempt to fulfill the requirement of National Industrial Policy of 1977. For the effective utilisation of entrepreneurship amongst women, the Department of Industries and commerce has implemented a scheme for providing special incentives to women industrial units. For the purpose of giving special incentives, women industrial units are defined as units owned/organised and run by women, and engaged in small-scale and cottage industries with not less than 80 per cent of the total workers as female. Co-operative societies, joint stock companies, charitable institutions, proprietary and partnership concerns, registered as SSI or cottage industrial units are eligible for grant assistance under this programme. Incentives such as machinery grant, rent subsidy, government share participation in women industrial co-operative societies, sales exemption, stipend to trainees, industrial management training courses were provided to women’s industrial unit by the District Industries Centre.
2 Kerala Finance Corporation

The Kerala State Government constituted in 1951, the Kerala Finance Corporation (KFC) with paid up capital from the Government of Kerala IDBI etc to encourage potential entrepreneurs to start new units with the financial support thus available and to accelerate the industrialisation process in the state. Two special scheme of the corporation for women in operation are the women entrepreneurs scheme and the Mahila Udyog Nidhi.

3 Kerala State Industrial Development Corporation (KSIDC)

KSIDC is another agency setup by the Government of Kerala to assist industrial development in the state. KSIDC also provides many concessions to potential women entrepreneurs to start industrial units.

4 Kerala State Small Industries Employment and Development Corporation (SIEDCO)

SIEDCO was established in 1975 to promote industries in the small-scale sector. The corporation provides capital and supplies machinery on a hire purchase basis. It undertakes the revitalisation of sick units and the construction, maintenance, management and administrative of industrial estates. As on 30th Nov 1996, 7,979 women industrial units were registered with the assistance of SIEDCO.
5 Kerala State Women’s Development Corporation (KSWDC)

The Kerala State Women’s development Corporation (KSWDC) was incorporated in February 1988. It is a Public sector undertaking registered under the Companies Act. The prime objective of the organisation is to increase employment opportunities among women who are economically and socially backward and below the poverty line. The corporation has formulated various self-employment training programmes for achieving this end. A number of awareness programmes and welfare activities are being implemented for the social and economic progress of women. KSWDC implemented its schemes through individual entrepreneurs and women’s organisations like co-operative societies and Mahila Samajams.

3.15.3 Women in the Small Scale Sector in Kerala

District industries Centers (DICs) were also set up in all the district of the state in 1977. In 1978-79 a special ‘cell’ was formed in the Directorate of Industries and Commerce to attend the problems of women Entrepreneurs and to coordinate the efforts for promotion of women industrial units under WIP. In DICs also a special officer was appointed to look after the women industries.

Women owned SSI units are increasing at a rate faster than the general growth rate in the Small Scale Industrial Sector of the state and the trend continues since 1990-91. In the beginning of the decade, in 1990-91, 584 Small Scale industrial units were opened by women and the total women owned units
became 6,967. There was a tremendous change in the trend from 1992-93 and in that year women launched 2,669 SSIs in the state.

Table 3.2 shows the growth of women entrepreneurs in the small scale industries in Kerala. As revealed by the table and Figure:3.1 the total number of women enterprises increased from 7,551 in 1990-91 to 34,435 by 31st March 1999, with an average compounded growth rate of 18.89 per cent against the overall growth of 14.5 percent. On 31st March 2000 there were 38,364 women owned SSIs comprising 17.5 percent of the 2,19,833 registered Small Scale industrial units in the state.

FIGURE: 3.1
Growth of women enterprises in the small scale sector in Kerala
TABLE 3.2

Growth of women enterprises in the small scale sector

<table>
<thead>
<tr>
<th>As on 31st March</th>
<th>Units promoted by women</th>
<th>Rate of Growth</th>
<th>Units promoted by men</th>
<th>Rate of Growth</th>
<th>Total units registered</th>
<th>Rate of Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>6967</td>
<td>---</td>
<td>47068</td>
<td>---</td>
<td>54035</td>
<td>---</td>
</tr>
<tr>
<td>1991</td>
<td>7551</td>
<td>8.38</td>
<td>55331</td>
<td>17.56</td>
<td>62882</td>
<td>16.37</td>
</tr>
<tr>
<td>1992</td>
<td>8331</td>
<td>10.33</td>
<td>65469</td>
<td>18.32</td>
<td>73800</td>
<td>17.36</td>
</tr>
<tr>
<td>1993</td>
<td>11000</td>
<td>32.04</td>
<td>84851</td>
<td>29.60</td>
<td>95851</td>
<td>29.88</td>
</tr>
<tr>
<td>1994</td>
<td>14742</td>
<td>34.02</td>
<td>95642</td>
<td>12.72</td>
<td>110384</td>
<td>15.16</td>
</tr>
<tr>
<td>1995</td>
<td>18361</td>
<td>24.55</td>
<td>107859</td>
<td>12.77</td>
<td>126220</td>
<td>14.35</td>
</tr>
<tr>
<td>1996</td>
<td>22072</td>
<td>20.21</td>
<td>121051</td>
<td>12.23</td>
<td>143123</td>
<td>13.39</td>
</tr>
<tr>
<td>1997</td>
<td>25310</td>
<td>14.67</td>
<td>135234</td>
<td>11.72</td>
<td>160544</td>
<td>12.17</td>
</tr>
<tr>
<td>1998</td>
<td>29976</td>
<td>18.44</td>
<td>150115</td>
<td>11.00</td>
<td>180091</td>
<td>12.18</td>
</tr>
<tr>
<td>1999</td>
<td>34435</td>
<td>14.88</td>
<td>165392</td>
<td>10.18</td>
<td>199827</td>
<td>10.96</td>
</tr>
<tr>
<td>2000</td>
<td>38364</td>
<td>11.41</td>
<td>181469</td>
<td>9.72</td>
<td>219833</td>
<td>10.01</td>
</tr>
<tr>
<td>Compounded annual rate</td>
<td>18.89</td>
<td>14.58</td>
<td></td>
<td></td>
<td></td>
<td>15.18</td>
</tr>
</tbody>
</table>

Source: Vikas Bhavan, Thiruvananthapuram

During the decade under reference the rate of participation of women in the small scale sector increased from 10.3 in 1991 to 17.5 in 2000. Figure:3.2 shows the annual growth rate of women and men units registered in Kerala during 1991-2000.
3.15.4 Women Industrial Program in Kerala

Women Industrial Program was launched in 1975. But for various reasons the scheme could not attract a significant number of women to the industrial area. Only 5 units registered in 1978-79, 201 units in 1980-81, and 139 units in 1984-85. The growth rates for SSI and WIP units are given in Table 3.3.
### TABLE: 3.3  
**Growth of SSI and WIP units**

<table>
<thead>
<tr>
<th>Period</th>
<th>Average annual growth rate (Per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SSI units</td>
</tr>
<tr>
<td>1985-1990</td>
<td>20.4</td>
</tr>
<tr>
<td>1990-1995</td>
<td>19.6</td>
</tr>
<tr>
<td>1995-2000</td>
<td>14.8</td>
</tr>
<tr>
<td>1985-2000</td>
<td>39.9</td>
</tr>
</tbody>
</table>

*Source*: Records, Department of Industries & Commerce

The number of Small Scale Women Industrial (SSI) units registered in the state as in March 2000 is 2,19,833 as against 31,499 units in March 1985. The number of units registered under Women Industries Programme (WIP) also increased from 901 to 11,948 during the above said period. While the average annual growth rate between 1985 and 2000 is 39.86 per cent for SSI units, the corresponding percentage for units registered under WIP is 81.74 per cent. The share of WIP units in the total number of SSI units also increased from 2.86 per cent in 1985 to 5.44 per cent in March 2000. Quinquennial growth rates since 1985 showed a decline in the case of SSI and WIP units. WIP units maintained a significantly higher rate of growth.

The average annual growth rate for small scale units registered by women entrepreneurs during the period 1995-2000 was 22 per cent, while the corresponding figure for SSI and WIP were 15 per cent and 19 per cent.
respectively. Only one-third of the women entrepreneurs (registered under SSI) have registered their units under WIP, probably because of the restriction that for registration under WIP, not less than 80 percent of the workers should be women. The growth of SSI under WIP sectors during the past ten years has been impressive. District wise distribution and growth of units registered under WIP are presented Table: 3.4.

**TABLE 3.4**

District wise distribution and growth of units registered under Women industrial programme

<table>
<thead>
<tr>
<th>District</th>
<th>As on March 1985</th>
<th>As on March 1990</th>
<th>As on March 1995</th>
<th>As on March 2000</th>
<th>As on March 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Units</td>
<td>Percent</td>
<td>No of Units</td>
<td>Percent</td>
<td>No of Units</td>
</tr>
<tr>
<td>Thiruvananthapuram</td>
<td>103</td>
<td>11.4</td>
<td>223</td>
<td>10.70</td>
<td>751</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kollam</td>
<td>83</td>
<td>9.21</td>
<td>191</td>
<td>9.20</td>
<td>603</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pathanamthitta</td>
<td>15</td>
<td>1.66</td>
<td>79</td>
<td>3.80</td>
<td>309</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alappuzha</td>
<td>77</td>
<td>8.55</td>
<td>186</td>
<td>9.00</td>
<td>456</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kottayam</td>
<td>80</td>
<td>8.90</td>
<td>198</td>
<td>9.53</td>
<td>571</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idukki</td>
<td>40</td>
<td>4.44</td>
<td>88</td>
<td>4.24</td>
<td>282</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ernakulam</td>
<td>110</td>
<td>12.21</td>
<td>287</td>
<td>13.82</td>
<td>873</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thrissur</td>
<td>137</td>
<td>15.21</td>
<td>265</td>
<td>12.80</td>
<td>643</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palakkad</td>
<td>43</td>
<td>4.80</td>
<td>106</td>
<td>5.10</td>
<td>409</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malappuram</td>
<td>50</td>
<td>5.55</td>
<td>97</td>
<td>4.70</td>
<td>264</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kozikode</td>
<td>78</td>
<td>8.66</td>
<td>175</td>
<td>8.43</td>
<td>396</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wayanad</td>
<td>5</td>
<td>0.60</td>
<td>20</td>
<td>1.00</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kannur</td>
<td>75</td>
<td>8.32</td>
<td>133</td>
<td>6.40</td>
<td>299</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kasargod</td>
<td>5</td>
<td>0.60</td>
<td>29</td>
<td>1.40</td>
<td>106</td>
</tr>
</tbody>
</table>

**Total** 901 100.00 2077 100.00 6089 100.00 11948 100.00 28960 100.00

*Source*: Records, Department of Industries & Commerce
Of all the small scale industrial units, 43 percent were registered during the period 1995-2005, 28 per cent during 1990-95 and 29 per cent before 1990. Almost a similar trend is observed in the case of units registered under the Women’s Industries Programme the corresponding percentages being 41, 34 and 25. But the SSI units registered under WIP during the above three periods are 4.7 per cent, 6.4 per cent and 6.3 per cent respectively. However the WIP forms just about 5.4 per cent of the total units registered under SSI. The share of WIP, in investment and employment in the SSI sector is estimated as 3 percent and 3.4 per cent respectively. However these are under estimates as the SSI figures include data for most of the closed units also.

**Regional spread of Women managed SSI units in Kerala**

Women entrepreneurs are spread all over the fourteen districts of the state and engage in different trade lines. The Table 3.5 shows that district-wise distribution of women managed Small Scale industries sector in Kerala.
TABLE: 3.5

District wise distribution of Women Managed SSI Sector in Kerala

Third all India Census-2004

<table>
<thead>
<tr>
<th>District</th>
<th>No. of units managed by women</th>
<th>No. of Women Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regd</td>
<td>Unrgd</td>
</tr>
<tr>
<td>Thiruvananthapurm</td>
<td>3844</td>
<td>10481</td>
</tr>
<tr>
<td>Kollam</td>
<td>2563</td>
<td>---</td>
</tr>
<tr>
<td>Pathanamthitta</td>
<td>1981</td>
<td>3301</td>
</tr>
<tr>
<td>Alappuzha</td>
<td>2522</td>
<td>13598</td>
</tr>
<tr>
<td>Kottayam</td>
<td>4005</td>
<td>4260</td>
</tr>
<tr>
<td>Idukki</td>
<td>1253</td>
<td>2056</td>
</tr>
<tr>
<td>Ernakulam</td>
<td>3037</td>
<td>4963</td>
</tr>
<tr>
<td>Thrissur</td>
<td>2515</td>
<td>12880</td>
</tr>
<tr>
<td>Palakkad</td>
<td>1963</td>
<td>5306</td>
</tr>
<tr>
<td>Malappuram</td>
<td>982</td>
<td>2163</td>
</tr>
<tr>
<td>Kozikode</td>
<td>1825</td>
<td>6212</td>
</tr>
<tr>
<td>Wayanad</td>
<td>800</td>
<td>3391</td>
</tr>
<tr>
<td>Kannur</td>
<td>920</td>
<td>5612</td>
</tr>
<tr>
<td>Kasargod</td>
<td>750</td>
<td>34378</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,960</td>
<td>1,08,601</td>
</tr>
</tbody>
</table>


From the above table reveals that total number of women enterprises in Kerala 1, 39,225. Among this 32,989 are registered 1,06,236 units are unregistered units. But the total number of units managed by women 1, 37,561. Among this 28,960 units are registered 1,08,601 units are unregistered units.
Trade wise distribution of Women Managed SSI units in Kerala

The women were predominantly engaged either in the manufacture of consumer items like readymade garments, wood products, toys and handicrafts or were engaged in the service sectors such as X-rays, beauty Parlours etc. The Table: 3.6 shows that trade wise distribution of women managed SSI units in Kerala.

**TABLE: 3.6**

Trade wise distribution of Women Managed SSI units in Kerala

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Industries</th>
<th>No. of Units</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Readymade Garments</td>
<td>5626</td>
<td>19.43</td>
</tr>
<tr>
<td>2</td>
<td>Food Processing</td>
<td>2569</td>
<td>8.87</td>
</tr>
<tr>
<td>3</td>
<td>Printing and Book Binding</td>
<td>2538</td>
<td>8.76</td>
</tr>
<tr>
<td>4</td>
<td>Rubber products</td>
<td>2073</td>
<td>7.16</td>
</tr>
<tr>
<td>5</td>
<td>Rice flour mills</td>
<td>1976</td>
<td>6.82</td>
</tr>
<tr>
<td>6</td>
<td>Tailoring job works</td>
<td>1976</td>
<td>6.82</td>
</tr>
<tr>
<td>7</td>
<td>Manufacturing and Assembling works</td>
<td>1830</td>
<td>6.32</td>
</tr>
<tr>
<td>8</td>
<td>Plastic works</td>
<td>1693</td>
<td>5.85</td>
</tr>
<tr>
<td>9</td>
<td>Cloth, textiles and handloom</td>
<td>1688</td>
<td>5.83</td>
</tr>
<tr>
<td>10</td>
<td>Photostat</td>
<td>1430</td>
<td>4.94</td>
</tr>
<tr>
<td>11</td>
<td>Beauty Parlour</td>
<td>1416</td>
<td>4.89</td>
</tr>
<tr>
<td>12</td>
<td>Candle Making</td>
<td>1365</td>
<td>4.71</td>
</tr>
<tr>
<td>13</td>
<td>Laboratory clines</td>
<td>1314</td>
<td>4.54</td>
</tr>
<tr>
<td>14</td>
<td>Miscellaneous</td>
<td>1466</td>
<td>5.06</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>28960</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

*Source:* Records, Department of Industries & Commerce
The above table shows that among the various occupations readymade Garments rank first followed by food processing & Rubber products. The pictorial representation of trade wise distribution of women managed SSI units in Kerala.

FIGURE: 3.3
Trade wise distribution of Women Managed SSI units in Kerala
3.16 Readymade Garment industry in Kerala

The readymade garment industry in Kerala consists of a large number of units in the small scale industries sector. This industry occupies a prominent place in the industrial scenario of Kerala as a major provider of employment and income. As a highly labour intensive modern small industry, garment industry provides employment to thousands of people directly or indirectly. The garment industry draws its major raw material, fabrics from the decentralised power loom sector, thus giving sustenance to a large number of weavers engaged therein. It is also export-oriented industry. Its role as a foreign exchange earner has been increasing day by day. Kerala with its national resources and the availability of educated skilled labour, offers tremendous potential for the production and export of readymade garments.

Kerala was one of the first states to have full-fledged export oriented garments units. Kerala Garments Ltd Kannur, the public sector and Hantex international Trivandrum, in the corporate sector had already been setup during the early 80's. Kerala especially Cannanore is an important supplier of handloom fabrics for garment industry in the country. At one stage the entire garment industry in India was heavily dependent on Cannanore for the supply of handloom 'crape' fabric, which was the mainstay of our

---

export then through the demand for handloom crape garments in on the wone, yet existing requirements for this fabric is still being met by Cannanore".25

A study conducted by IIIF revealed that in 1978, in addition to a large number of small scale garment units in the domestic market, there were half a dozen manufacturing exporters of readymade garments with a total capacity of around 1,60,000 pieces of garments per year.26

In the present industrial scenario of Kerala readymade garments industry has an important position. The importance of the industry lies in the very fast that nearly 8% of the total SSI units registered in the state upto 31-03-2004 belongs to the garments industry. Out of the total small scale industrial units of 2,19,833 as on 31-3-2004, the number of readymade garment units were 18,193. During the 90's the industry witnessed a phenomenal growth. During the year 1994-95 about 18.79% of the small scale industrial units registered were for garment manufacturing. The garment industry has got further importance as the major industry in the women industrial units (WIP). More than 50% of the total women industrial units in Kerala belong to garment industry. It also provides employment to thousands skilled and unskilled workers especially women workers in the state.

26 Ibid.,p.36
3.16.1 Readymade Garment Industry - The Trust Area

Readymade garment industry has been identified as a trust area for industrialisation of Kerala. At the beginning of the Eighth plan certain areas including readymade garment industry were identified to be given trust. Later a thorough revision was made to identify new trust areas for promotion to achieve greater heights and to help in a planned, deliberate development of industries in the state.

In order to identify the new (revised) trust areas, KITCO had conducted a survey among those working in industrial promotion agencies and industrial financing institutions, consultants, industrialists and opinion makers. The respondents were asked to rate the various industries on seven factors, which are perceived to be of importance in selecting an industry. The factors considered for rating industries were: (a) Raw material availability, (b) Skill availability, (c) Power consumption (d) Eco-friendly nature of industry, (e) Domestic market potential, (f) Export potential, (g) Technology availability.

The following Table 3.7 reveals that the average scores given against each of the above factors, average aggregate scores and rank is given to various industries.
### TABLE: 3.7

Ranks, obtained by the industries to be selected as Thrust Sectors

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Industry</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>Average Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tourism</td>
<td>7.55</td>
<td>7.46</td>
<td>8.50</td>
<td>8.84</td>
<td>7.20</td>
<td>8.13</td>
<td>7.63</td>
<td>7.90</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Electronics</td>
<td>6.43</td>
<td>7.45</td>
<td>6.96</td>
<td>8.94</td>
<td>6.45</td>
<td>4.98</td>
<td>7.06</td>
<td>6.90</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Food Processing</td>
<td>7.60</td>
<td>6.96</td>
<td>5.91</td>
<td>6.91</td>
<td>6.89</td>
<td>5.36</td>
<td>7.28</td>
<td>6.70</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Coir</td>
<td>7.88</td>
<td>7.48</td>
<td>6.88</td>
<td>4.94</td>
<td>5.13</td>
<td>7.26</td>
<td>7.22</td>
<td>6.68</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>Rubber</td>
<td>8.71</td>
<td>7.68</td>
<td>4.63</td>
<td>4.59</td>
<td>6.64</td>
<td>4.68</td>
<td>7.36</td>
<td>6.33</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Readymade Garments</td>
<td>7.00</td>
<td>7.38</td>
<td>7.29</td>
<td>7.87</td>
<td>6.30</td>
<td>7.17</td>
<td>7.51</td>
<td>7.23</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Software development</td>
<td>6.95</td>
<td>7.20</td>
<td>6.41</td>
<td>8.93</td>
<td>5.39</td>
<td>7.78</td>
<td>7.17</td>
<td>7.12</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>Plastics</td>
<td>5.67</td>
<td>7.04</td>
<td>4.28</td>
<td>5.11</td>
<td>5.06</td>
<td>7.70</td>
<td>6.87</td>
<td>5.96</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Leather</td>
<td>4.85</td>
<td>5.40</td>
<td>3.65</td>
<td>8.83</td>
<td>5.40</td>
<td>3.57</td>
<td>5.13</td>
<td>5.26</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Light Engineering</td>
<td>6.00</td>
<td>6.34</td>
<td>3.96</td>
<td>5.28</td>
<td>6.15</td>
<td>2.74</td>
<td>6.26</td>
<td>5.24</td>
<td>11</td>
</tr>
<tr>
<td>11</td>
<td>Marine Products</td>
<td>6.33</td>
<td>6.60</td>
<td>4.18</td>
<td>4.61</td>
<td>6.63</td>
<td>3.37</td>
<td>6.37</td>
<td>5.44</td>
<td>9</td>
</tr>
<tr>
<td>12</td>
<td>Drugs &amp; Pharmaceuticals</td>
<td>5.80</td>
<td>5.96</td>
<td>3.24</td>
<td>2.67</td>
<td>5.76</td>
<td>3.28</td>
<td>5.79</td>
<td>4.64</td>
<td>14</td>
</tr>
<tr>
<td>13</td>
<td>Clay-based</td>
<td>6.04</td>
<td>5.82</td>
<td>3.53</td>
<td>2.51</td>
<td>4.81</td>
<td>7.13</td>
<td>5.48</td>
<td>5.05</td>
<td>12</td>
</tr>
<tr>
<td>14</td>
<td>Chemicals</td>
<td>6.30</td>
<td>6.00</td>
<td>2.27</td>
<td>3.98</td>
<td>4.96</td>
<td>4.22</td>
<td>5.78</td>
<td>4.79</td>
<td>13</td>
</tr>
</tbody>
</table>

From the above table shows that fourteen industries were ranked by the respondents on the basis of the seven given factors. The aggregate scores were worked out from the average scores on the factors considered and ranks were given accordingly. The following eight areas were ranked at the top and were selected for giving thrust for industrialisation of the state.
Readymade garments industry scored the second rank, just after the tourism industry from among the fourteen industries evaluated. This indicates that garment industry can play a significant role in the industrialisation of the state. It also emphasises the need for giving greater attention to the development of this industry in the state.

As opined by the respondents the various factors responsible for the industrialisation of Kerala are favorable to the readymade garment industry. Readymades are locally available and it also can be purchased from nearby famous fabric market 'Coimbatore', which is on the boarder of the state. As far as the skill availability is concerned, Kerala has a hundred percent literate, skilled and highly productive labour force with the capacity to absorb even the most sophisticated technology quickly. Labour force in Kerala is most suited to the modern labour oriented small-scale industries like readymade garments manufacturing industry.

In the matter of power consumption the position of the garment industry is far ahead when compared to other industries. This industry is a pollution free industry. Hence, there will not be any ecological or environmental hazards created by this industry.

Since clothing is a necessary for human beings there is no doubt about the increasing demand for the clothing. The domestic garment market consists of a large consumer base of 30 million people who are hundred percent
literate. Now more and more people in Kerala prefer ready-to-wear dress to tailor made dress. The fast increase in the number of exclusive shops for selling readymade garments both in urban and rural reveals that there is high domestic market potentials for this industry.

In Kerala's export scenario the role of this industry is gradually developing. From an export figure of Rs 13 Crore in 1996, it had reached to Rs 138.18 crore in 1999 showing an increase of about 10 times within a period of four years. Since this industry is less capital intensive there is greater scope of development for the industry in Kerala.

The trust sector industries including readymade garment manufacturing industry are eligible for investment subsidy the rate of 15% of fixed capital investment subject to a ceiling of Rs 15lakhs or as notified in the specific incentives announced for the sector, from time to time. All trust sector units set up in Idukki and Wayand districts are eligible for an investment subsidy of 25% of fixed capital investment subject to a maximum of Rs 25 lakhs.

3.16.2 Readymade Garments in the Small Scale Sector in Kerala

The small scale industries sector in Kerala has a pivotal role to play in developing the economy and solving the unemployment problem of the state. The sector has an important role in the industrial economy on account of some
of its inherent advantages like low capital intensity and high employment generation potential.\textsuperscript{27}

The small-scale units can promote a more equitable distribution of income than in the case of large firms. Unlike big industries, small-scale industries need a shorter gestation period relatively smaller market. There is no denying of the fact that Kerala continues to be an industrially backward state. Along with Kerala’s high density and growth rate of population and excessive pressure on land, failure to achieve a satisfactory rate of industrialisation has resulted in unemployment on a phenomenal scale. It is evident that in industry wise and area wise development of economic activity through the development of industries and especially small-scale industries lies the major key to the solution of the problem of unemployment and to the future prosperity of the state.

In a capital scarce and labour abundant economy like Kerala small-scale industries sector is the most suitable. Low capital that is required in small industry leads to a deliberate choice in favour of small-sized units.\textsuperscript{28}

The important of small-scale industries in Kerala lies in the fact that they create immediate and permanent employment on a large scale at relatively low cost, meet a substantial part of the demand for consumer

goods, facilitate mobilisation of resources of capital at various levels which might otherwise remain unutilised. They bring about integration of the industries with rural economy on the one hand and the large scale industrial sector on the other.

Since garment manufacturing has been reserved for the small-scale industrial sector, this industry has enjoyed all the concessions, incentives and assistance contained in the industrial policy statement of October 22, 1991 of the state government. This includes subsidised technical know-how, developed land and factory shed, margin money/seed capital loan, investment subsidy, generator subsidy for pollution control equipments, tax exemptions, concessional sales tax rates, price preferences, reservation of items for exclusive purchase, preference in electricity connection, entrepreneurship development training, simplified rules and green channel facility.

In the small-scale industrial sector in Kerala readymade garment industry plays a dominant role. Table: 3.8 shows that district wise distribution and growth of readymade garment units in Kerala.
### TABLE 3.8

District wise distribution and growth of readymade garments units in Kerala

<table>
<thead>
<tr>
<th>District</th>
<th>As on March 1990</th>
<th>As on March 1995</th>
<th>As on March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of units</td>
<td>Investments in 000’</td>
<td>Employment (in no.)</td>
</tr>
<tr>
<td>Thiruvananthapuram</td>
<td>280</td>
<td>3207</td>
<td>1193</td>
</tr>
<tr>
<td>Kollam</td>
<td>173</td>
<td>4717</td>
<td>705</td>
</tr>
<tr>
<td>Pathanamthitta</td>
<td>89</td>
<td>1890</td>
<td>304</td>
</tr>
<tr>
<td>Alappuzha</td>
<td>181</td>
<td>3452</td>
<td>841</td>
</tr>
<tr>
<td>Kottayam</td>
<td>355</td>
<td>5404</td>
<td>1184</td>
</tr>
<tr>
<td>Idukki</td>
<td>87</td>
<td>1037</td>
<td>506</td>
</tr>
<tr>
<td>Ernakulam</td>
<td>232</td>
<td>12082</td>
<td>1335</td>
</tr>
<tr>
<td>Thrissur</td>
<td>127</td>
<td>1383</td>
<td>826</td>
</tr>
<tr>
<td>Palakkad</td>
<td>129</td>
<td>1162</td>
<td>532</td>
</tr>
<tr>
<td>Malappuram</td>
<td>70</td>
<td>1493</td>
<td>326</td>
</tr>
<tr>
<td>Kozikode</td>
<td>171</td>
<td>3648</td>
<td>640</td>
</tr>
<tr>
<td>Wayanad</td>
<td>60</td>
<td>610</td>
<td>262</td>
</tr>
<tr>
<td>Kannur</td>
<td>170</td>
<td>3243</td>
<td>732</td>
</tr>
<tr>
<td>Kasargod</td>
<td>74</td>
<td>1146</td>
<td>316</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2198</strong></td>
<td><strong>44,474</strong></td>
<td><strong>9702</strong></td>
</tr>
</tbody>
</table>

*Source: Vikas Bhavan, Thiruvananthapuram*
The above table shows that there were only 2,198 registered readymade garment units as on 31/3/1990. This represents 3.45% of the total small-scale industrial units as on that date. Kottayam district had the maximum number of registered small-scale readymade garment units (355) followed by Thiruvananthapuram, (280) Ernakulam (232) and Alappuzha (181). It is to be noted that there were a good number of garment units in almost all district in Kerala. This indicates the decentralised nature of the small-scale garment units. The total investment in this sector was 44,474 lakh and the estimated number of workers engaged in the industry was 9,702 in 1990.

In 1995, the number of readymade garment units increased to 12,183 units, thus registering a compound annual growth rate of 40.84% during the period 1990-1995. This five-fold increase in the number of readymade garment units in the small scale industry sector in Kerala shows the remarkable growth of the industry during the first half of 90s. The number of readymade garment units in the small scale sector has increased tremendously in all districts in Kerala to reach a level of 12,183 units in the state. Kottayam, Thiruvananthapuram, and Ernakulam, districts top the list in respect of the number of units and investment in Plant &Machinery. The total investment in Plant &Machinery in the garment sector rose to Rs. 3,55,238 lakhs from a figure of Rs 44,474 in 1990. As far as the employment potential is a concerned, Ernakulam district rank first followed
by Thiruvananthapuram. The total number of workers employed in the readymade garment sector had increased from 9,702 in 1990 to 53,748 in 1995, thus showing more than five fold increase during the period.

In the year 2004, the number of garment units had increased to 18,191 units. This shows that the growth of the industry during the second half of 1990s was at a lower rate. The following Table: 3.9 shows the details of the total small-scale industries units and the readymade garment units as on 31/3/2004.

### TABLE 3.9
**Total SSI units and women Managed RMG units as on 31/3/2004**

<table>
<thead>
<tr>
<th></th>
<th>Total SSI units</th>
<th>RMG units</th>
<th>% of RMG to the total SSI units</th>
<th>Registered working women managed RMG units</th>
<th>% of total RMG units</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.of units</td>
<td>2,19,833</td>
<td>18,191</td>
<td>8.27</td>
<td>5,626</td>
<td>30.92</td>
</tr>
<tr>
<td>Investment in P&amp;M (in lakhs)</td>
<td>3,05,097</td>
<td>6016</td>
<td>1.97</td>
<td>121</td>
<td>2.01</td>
</tr>
<tr>
<td>No.of employees</td>
<td>10,53,533</td>
<td>72,069</td>
<td>6.84</td>
<td>6378</td>
<td>8.85</td>
</tr>
</tbody>
</table>

*Source: Vikas Bhavan, Thiruvananthapuram*

The above table reveals that the readymade garment units constitute 8.27% of the total small scale industries units as on 31/3/2004. With regard to employment, the share of the industry has been 6.84% of the total employment in the small-scale sector. While analysing the investment in Plant and Machinery, it is clear that investment is very low in this industry.
Its share is only 1.97% of the total investment of the small-scale industrial units in the state.

### 3.16.3 Role of women in the garment industry

Women continue to be among the most disadvantaged sections of society notwithstanding existing constitutional provisions and efforts made in the successive development plans to integrate women into the mainstream of society.\(^{29}\)

Through women have entered all walks of life the productive role of women in the economy in its full sense is not yet realised. The productive role of women means, their contribution to the productive system in various ways. It can mean the employment of women as workers as well as their role as entrepreneurs. Participation of women in various sector of the economy has not been commendable and thus employment opportunities show a declining tendency.\(^{30}\)

The level of participation of women in economic activities is low and this has meant a low and stagnant share of women in total employment over years. Employment of women is predominantly rural and in the unorganised sector of the economy. The share of women on overall employment has increased over the years mostly in sectors offering only


low paid, insecure and unstable employment. The proportion of casual labour among women workers is still high compared to men workers.

The ready-made garment industry is often considered as women dominated industry. There is a high role for women in this industry as workers as well as entrepreneurs. Women constitute a major share of the total workforce in the garment industry. As a growing modern small-scale industry, the garment industry absorbs more women than men.

Women can get employed in this industry without causing much disturbance to the family. There is a place for both skilled and unskilled workers in this industry. Since sub-contracting and job work are involved in this industry there is greater scope for home-based production. Women can work for the garment units without going to the factory site; instead they can work inside their homes with their own machines. In this case, workers collect the ready-made garments from the factory, do stitching work in their own houses and return the finished goods to the factory. This is done at a piece rate. Usually employers prefer women workers to men in the garment industry as they are available for lower wages, can be employed on more flexible working terms and can be put to work for longer hours than men. They are less involved in trade union activities and strikes too. Another advantage of employing women workers is that there is the possibility of turnover of the labour force, as most of them are
retrenched from work on getting married. Recently it has been seen that more and more women are coming as entrepreneurs.

To conclude women entrepreneurs need a special treatment as they have to fight against heavy adds and belongs to the largest disadvantaged groups in the country. The work of women is like a vein of water flowing underground, secretly making the ground green. In the next chapter researcher has made an attempt to analyse women entrepreneurship in readymade garment sector in Kerala.