CHAPTER I

Introduction
1.1 Introduction

Entrepreneurship an innovative self employment is the key issue in today’s economic growth. Entrepreneurship means the function of creating something new, organising, and co-ordinating, undertaking risk and handling economic uncertainty. In India women constitute 48.2 per cent (49.6 cores as per 2001 census) of the total population.\(^1\) Any sustainable change towards progress needs involvement of women. In traditional societies, women are confined within four walls of the house performing mainly household activities. In the male dominated social set up, women get very poor recognition, which in no way match to their requirements. In addition, their resources and potentials are not fully utilised. There is need to strengthen and streamline the role of women in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth.

Entrepreneurship development among women can be considered as a possible approach to economic empowerment of women. A woman as entrepreneur is economically more powerful than as mere worker because ownership not only confers control over assets (and liabilities) but also gives her the freedom to take decisions. This will also uplift social status significantly. Through entrepreneurship development a woman will not only generate income for herself but also will generate employment for

other women in the locality. This will have a multiplier effect in the generation of income and poverty alleviation.

In Kerala, women entrepreneurs play a significant role due to some peculiar features of the state. Women outnumber men in the state. Latest estimates show that there are 1058 women for every 1000 men. A high female literacy rate together with a high rate of female population in the total population ratio is a peculiar to Kerala. Table 1.1 shows the women literacy rate in Kerala and all India from 1961 to 2001.

**TABLE 1.1**

**Women literacy rate in Kerala and all India (1961 to 2001)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Kerala</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>1961</td>
<td>64.89</td>
<td>45.66</td>
</tr>
<tr>
<td>1971</td>
<td>77.13</td>
<td>62.53</td>
</tr>
<tr>
<td>1981</td>
<td>84.56</td>
<td>73.36</td>
</tr>
<tr>
<td>1991</td>
<td>93.62</td>
<td>86.17</td>
</tr>
<tr>
<td>2001</td>
<td>94.20</td>
<td>87.86</td>
</tr>
</tbody>
</table>

*Source: Directorate of Economics & Statistics*

In Kerala literacy gap between men and women which was 19.23% points in 1961 narrowed down to 6.34% points in 2001. However, at the same time the state faces immediate problem of unemployment among the educated and well qualified. Incidence of unemployment among educated

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2 Ibid., p.40.
women is more in Kerala. For instance out of the total registered educated unemployed job seekers of 40 lakhs in Kerala (2004) women are 23 lakhs (57.7%). The work participation rate among women in Kerala is very low. The economic marginalisation of women in the development process can be seen from the following table:

**TABLE 1.2**

**Male and Female work participation Rate**

*(Kerala and India -A comparison)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Kerala</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1981</td>
<td>65.66</td>
<td>19.70</td>
</tr>
<tr>
<td>1991</td>
<td>44.89</td>
<td>16.61</td>
</tr>
<tr>
<td>2001</td>
<td>47.58</td>
<td>15.85</td>
</tr>
</tbody>
</table>

*Source: Directorate of Economics & Statistics*

While the female work participation rate in India has increased from 19.7% to 22.7% between 1991 and 2001. In Kerala, the ratio continued to decline from 16.6 percent to 15.9 percent during the same period. An important reason for the decline in female work participation rate is the severe unemployment rate in the state. The unemployment rate in Kerala is three times higher than that in India. It is almost impossible for all of them to be employed by the government. Similarly, the private sector also finds it difficult to employ all job seeking women. The nature and pattern of

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3 Ibid., p.417
economic expansion and modernisation pursued hitherto could not provide job opportunities for the entire labour force. This situation could result in creating a frustrated unemployed women body that may turnout to be a social problem. It is held that the growing women employment and poverty in Kerala can be tracked efficiently by way of developing women entrepreneurs. Therefore, more and more emphasis has been laid on developing entrepreneurship in Small-Scale Sector; the idea is one of transforming “job seekers” to “job creators”

Prior to the year 1975, women entrepreneurs were not given much importance in the state. When the United Nations declared 1975 as the international women’s year the approach to women entrepreneurs began to change, and the government announced various schemes to bring women into the mainstream of industries. Many training programme were organised, covering various aspects of modern management techniques project implementation etc. As a result of the efforts by the government and liberal assistance by financial institutions, women started taking risky ventures too. Women entrepreneurs are spread all over the 14 districts of the state and engage in different trade lines.

In the present study, the researcher has made an attempt to study women entrepreneurs in readymade garments industry in Kerala state. The purpose of the study is to identify and analyse the factors that promote or
hinder the growth of garments industry operated by small-scale women entrepreneurs.

1.2 Statement of the problem

When the whole world is concerned about modernisation, liberalisation and globalisation, the status of women continues to be a horrifying fact. Women constitute half of the total population and account for the second largest group of potential entrepreneurs in India; they also have to play a very important role in the advancement of the country. Entrepreneurship development is a process, and the entrepreneur as an individual is a significant element in the process. It may be highly useful to understand how the social set up has been instrumental to the emergence of entrepreneurs from among the women folk. The Government of India has taken conscious efforts to substantially enhance the spirit of entrepreneurship among women from the Fifth Five Year Plan (1974-78) onwards. Since then, several developmental programmes have been implemented in this direction. Still, it is a major problem for the Government and promotional agencies to identify potential women entrepreneurs, their current status and problems and to decide implement and derive optimum benefit of promotional measures to achieve a sustained and speedy growth of women entrepreneurship.

Kerala has made significant progress in the field of social development and this is reflected in the high level of literacy among the
women. The spread of education and increased awareness are aiding women to spread their wings into areas which were hitherto the monopoly of men. Women are thus playing a very important role in Kerala’s social development. This has led to a remarkable increase in women entrepreneurship in the state. Further, the atmospheres for women to start entrepreneurship, survive and flourish is not encouraging. 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 sector such as X-ray, beauty parlours, advertising etc. However, women industrial units in readymade garments are increasing year after year. It is one of the important small-scale industries in Kerala. There are more than 5000 small-scale women entrepreneurs in readymade garments units that are engaged in manufacturing servicing or both. In the Women Industrial Programme (WIP) more than 50% of the units belong to garments industry. The recent trend shows that performance of the readymade garments industry in the state is mainly to a number of problems that are faced by the garment manufacturing units. These problem centre on optimum capacity utilisation, raw material procurement, labour technology, financial management, market competition, credit collection and the like. Therefore a study of the major problems in the functional areas of garment industry in the state is quite appropriate and relevant.
The present study has been undertaken to seek answer to the following questions

(a) What are the socio-economic factors for promoting the growth of women entrepreneurship in readymade garment industry?

(b) What are the major motivational factors for promoting the development of women entrepreneurship in readymade garment industry?

(c) What are the major problems faced by women entrepreneurs in readymade garment units at running their enterprises?

(d) Which type of technology adopted by women entrepreneurs in readymade garment industry?

1.3 Significance of the Study

Clothing is one of primary and social needs of human beings. Rights from birth one has to depend on cloths to adapt to the changes in environment. The value of clothing in meeting human needs such as physical protection, modesty and decoration has long been recognised. Clothing assists in defining one’s role or place in society; in identifying sex, religion, locality and nationality; and in reflecting social stratification and economic status. It is generally accepted that dress enables one to move from one role to another and it function as a status symbol.
Clothes are an outward expression of how people feel about themselves and world around them. They reflect the person’s self-concept, which is believed to be an important controlling force in behaviour. It is right to say that one’s philosophy of life. William Shakespeare in his play “Hamlet” (Act1; Scene iii) stresses the importance of dress in the following words.

“Costly thy habit as thy purse can buy,
But not express’d in fancy; rich, not gaudy,
For the apparel oft proclaims the man”.

Nowadays, one is virtually in the midst of the fashion storm and radical changes have been taking place in the world of garments. People like to wear readymade garments rather than having their clothes tailor made. It was fashionable earlier to use individually tailored items; but the changing times have ensured the prominence of readymade garments. Readymade garments have been gaining importance owing to their convenience, variety offered in style, colour, size and design, as well as to a wide price range that suits different income groups. Thus readymade garment manufacturing has developed as an industry.

The readymade garment industry occupies a prominent place in the industrial scenario of Kerala. As a highly labour intensive modern small scale industry, it provides employment to thousands of people directly or indirectly. The development of this industry is more pertinent to a state like Kerala, which continues to face severe unemployment. Unemployment in the state has been growing rapidly. Kerala with the availability of educated skilled labour force offers tremendous potential for the production of readymade garments. The present study has a macro level approach for identifying and reviewing the various problems related to women entrepreneurs in readymade garment industry in Kerala. As a result of various problems in the functional areas of production, finance and marketing, the industry is passing through a stage of crises at present. Thus the problems of the industry are analysed in the study in order to suggest possible solutions to speed up the development of readymade garment industry in Kerala.

1.4 Scope of the study

The scope of the study extends to the women managed readymade garments units in Kerala. At the units level, the study seeks to evaluate the general performance of the women managed readymade garment units and to find out the various problems faced by the women entrepreneurs in their major functional areas, namely financing, marketing, production. However the study is limited to those units that are registered as SSI units.
1.5 Objectives of the Study

The major objectives of the study are:-

1. To identify and analyse the socio-economic factors which promote the growth of women entrepreneurs in readymade garments industry.

2. To find out the motivational factors for promoting the development of women entrepreneurship in readymade garments industry and support received by the entrepreneurs from the government and financial institutions.

3. To identify the various problems faced by women entrepreneurs in readymade garments industrial units at running their enterprises.

4. To understand the level and nature of technology adopted by women entrepreneurs in readymade garments industry.

5. To suggest the methods to solve the problems for improving the prosperity of the women entrepreneurs in readymade garments industrial units in Kerala.

1.6 Hypotheses of the study

The following research hypotheses are framed on the basis of the objectives set for the study

1. The various demographic characteristics like age, marital status, education, experience and annual income of women entrepreneurs has
no significant impact on sales turnover of women managed readymade garments units.

2 There is no significant difference in the ratings between women entrepreneurs of various types of government services utilised on the major development in the industry with the help of government agencies.

3 There is no significant association in the nature of ownership, location of business and seriousness of the financial problem ‘lack of collateral security’ in the women managed readymade garment units.

4 There is no significant association in the nature of ownership, location of business and seriousness of the marketing problem ‘Rivalry from competitors’ in the women managed readymade garment units.

5 There is no significant association in the nature of ownership, location of business and seriousness of the production problem ‘High cost of production’ in the women managed readymade garment units.

1.7 Methodology

1 Research Design

Research design and methodology to be adopted were extensively discussed with experts and academicians in this field. As the researcher
found it necessary for blending the theoretical aspects of research with the practical methods adopted in the organisations for understanding the big picture. This is a descriptive study that reveals associations between the variables and these associations are interpreted statistically.

II Sample Design

a Population/Universe

All the working readymade garment women industrial units with 10 or more workers which were registered as small scale units upto 31\textsuperscript{st} March 2003 are considered as population for the purpose of this study.

The number of registered garment units constitutes nearly 10\% of the total SSI units in the state as on 31/3/2003. However, many of these units, are not functional. Further a large number of units, especially with less than 10\% women are involved in tailoring work and hence they cannot be considered as readymade garment units. Therefore the population for the purpose of this study consists of only working readymade garment women industrial units with ten or more workers. Sample survey technique is the method adopted for the study.

Selection of sample units

Two stage stratified random sampling techniques is adopted to select the sample units.
First stage: Selection of the sample district

As a first stage in the sample selection the state is divided into three regions on geographical basis namely Southern, Central and Northern. The southern region includes four districts ie, Trivandrum, Kollam, Pathanamthitta, Alappuzha. The central region includes Kottayam, Idukki, Ernakulam, Thrissur, Malappuram, Palakkad. The Northern region covers the districts Kozhicode, Wayanad, Kannur and Kasargod. Two districts from each region are selected on simple random sampling techniques. Hence Trivandram and Pathanamthitta from Southern region Ernakulam and Kottayam from Central regions and Kozhicode and Kannur from northern region emerged as the sample districts.

Second stage: Selection of sample units

Women managed readymade garments units in the selected districts were applied to the following criteria for selection of sample units. (1) The investment in plant and machinery above 1,00,000 (2) The unit set up should be employing at least 10 or more workers (3) The enterprise should at least 4 years operation. For applying these criteria 850 units from south 970 units from central and 180 units from north. Among this 25 per cent of units in each region is selected for the study. The population of working small-scale readymade garment women industrial units in each sample district and the sample units selected are presented in Table1.3
### TABLE 1.3
Sampling Design

<table>
<thead>
<tr>
<th>Regions</th>
<th>Total RMG units</th>
<th>District selected at random for intensive study</th>
<th>Total units of selected district</th>
<th>Units selected after applying criteria</th>
<th>Units selected for sample (25% of 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>2425</td>
<td>Trivandrum Pathanamthitta</td>
<td>1316</td>
<td>850</td>
<td>212</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>436</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central</td>
<td>2616</td>
<td>Ernakulam Kottayam</td>
<td>1300</td>
<td>970</td>
<td>243</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>585</td>
<td>Kozhicode Kannur</td>
<td>232</td>
<td>180</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>128</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5626</td>
<td></td>
<td>4012</td>
<td>2000</td>
<td>500</td>
</tr>
</tbody>
</table>

**III Data collection**

The data required for the study were collected from both primary and secondary sources. The primary data have been collected through the following techniques:

A) The Questionnaire

The structured questionnaire was designed to collect data for the study. The questionnaire consists of both open-ended and close-ended questions. The open ended questions are used to collect the opinions and suggestions of the respondents. A pilot survey was conducted for testing the first stage questionnaire with randomly selected entrepreneurs. Based on this pilot survey, the questions found irrelevant in the draft questionnaire were deleted and questions found vital were added. Slight
re-arrangement in the logical order of the questions was also done. The language used was simple so that the respondents were able to understand the meaning easily. The entire text of the reformed and reframed questionnaire is given in Appendix 1.

B) Informal personal discussions with the women entrepreneurs and the personnel of enterprises and officials of various promotional agencies, i.e., DIC, Directorate of Industries and Commerce was held as and when it is required.

The relevant secondary data for the study from official records, annual reports and other published documents of the District Industries Centre, Directorate of Industries and Commerce, State planning Board, Centre for development studies and other research centres, published research papers, Indian census figures, periodicals, journals, research articles, seminars reports, newspapers, study reports of expert committees, departmental publications, Plan documents, Unpublished works etc.

IV Data Analysis

The collected primary data have been statistically processed, classified and tabulated by using appropriate methods. Since the sample size is large [N-500] tables, diagrams and statistical results have been derived with the help of the Computer Software called SPSS [Statistical Packages for Social Science]. The various statistical tools such as averages,
percentages, rank test, Likert scale techniques, Descriptive statistical tools like Mean, Standard Deviation, non parametric test like Chi-square test and parametric test like ANOVA were used. Percentage and annual growth indices were used to access the rate of growth. Averages and percentages were used for comparison of attributes, while the rank test was used to access the order of preference associated with the selected variables. ANOVA has been used for studying the cause and effect of one or more factors on a single dependable variable. Scheffe’s multiple comparison technique was used to know one of the pairs is significantly different from each other or if the remaining pairs are also significantly different. Likert’s scale technique was used to measure seriousness of the problem faced by women entrepreneurs in readymade garment units. Chi-square test has been used to cross-tabulate and to understand the relationship between independent and the dependent variables. Cramer’s V and Contingency coefficient(C) are used to measure the strength of association between dependable and independent variables.

V Period of the study

The study covers a period of twelve years from 1991-2003. The period has been specifically selected for the study because of the following reasons.
(a) The new economic policy declared by the government in 1991 brought in dramatic changes in the industrial climate of the country during this period.

(b) As a result of globalisation, many new management concept and practices were entered into Indian corporate world during this period, also affected the women entrepreneurship.

(c) The year 2001 was declared as “Women’s Empowerment year” during which the national policy for the empowerment of women was evolved to bring about the advancement, development and empowerment of women. Further the samples selected for the survey should at least 4 years operation. Primary data were collected from the respondents during the period from June to December 2007.

VI Limitations of the study

The survey is based on the samples taken and not on the census method. Hence the natural weaknesses of sampling have an influence on the outcome too. Inference are made on the available data and the accuracy of the final information sources. Some of the entrepreneurs were hesitant to give correct information pertaining to sales, profit etc. The form and pattern of statistics and records varied from unit to unit which render their comparison difficult. In spite of the above limitations, maximum care has been taken to make the study accurate and meaningful.
1.8 Presentation of report

The study is organised in five chapters:-

Chapter 1 - Introduction

Chapter 2 - Review of Literature

Chapter 3 - Small-Scale women entrepreneurship in readymade garment industry - An Overview

Chapter 4 - Women entrepreneurship in Readymade garment industry - An Analysis

Chapter 5 - Findings, Suggestions & Conclusion