Chapter 1
Introduction

It is a shame on mankind, acclaimed to be the highest in the scale of creation that the female sex has been held in low esteem, branding it weak and incapable of seeking an independent existence. An impartial and unbiased probe to unravel the truth, will necessarily lead us to fathom the abysses of civilization, where “the purest gems of the ray serene” lie hidden in the form of feminine strength and competence. It bodes well that, owing partly to the enlightenment created by great reformers and partly to the just resistance put up by organized feminist movements, the position of women in society has now come to be accepted by and large. Modern governments have come out with legislative guarantees, ensuring them an equitable role in national progress, wealth creation and development. It is now universally accepted that women are capable of taking up and executing any task that their male counterparts are competent for.

We are now living in an era that compels every country to stay competitive in a globalized world. It is possible only through sustained economic growth. This presupposes all round growth which encompasses social, political, cultural and other dimensions of development. A major task, therefore, is to stimulate the people to undertake productive economic activity. Every able – bodied individual has to be brought into the main stream of development, instead of just providing a livelihood. Thus, the concepts of self-employment and entrepreneurship have been thought of as the backbone of national reconstruction, progress and prosperity. In this context, well – guided entrepreneurship assumes supreme importance through public sector undertakings, creating a single door economy. This concept involves the process of transforming creative ideas into commercially viable business. Successful entrepreneurship is a cohesive process of creativity, risk taking, and planning. Germination of entrepreneurship largely depends on the prevailing culture of the
society. The creation of a positive entrepreneurial culture is possible only if there is adequate social, political, economical and physical infrastructural support. Good entrepreneurs can work wonders. They hold the potential to transform a backward, decadent economy into a most flourishing state. Hence the golden adage—“An economy is the effect for which entrepreneurship is the cause.”

Today’s world is changing at a startling pace. Political and economic systems are undergoing a paradigm shift—as command economies are becoming to demand economies; dictatorships are giving place to democracy and monarchies are fast disappearing. These changes have thrown open new vistas for women who want to own and operate business. Today, women in advanced market economies own more than 25 per cent of all businesses and women-owned businesses\(^1\) in Africa, Asia, Eastern Europe, and Latin America are growing rapidly\(^2\). Over the last decades women have increased their participation in entrepreneurial activity generating social and economic development and contributing to wealth creation and innovation around the world\(^3\). Women are remarkable for commitment and integrity and, as, such, their increased participation in the economic activities at the higher echelon, have lent a new impetus to the process of development as a whole. It should be clearly understood that women’s role in development programmes should not be restricted to economic productivity but they should have a wider compass that will cover their emancipation from the clutches of outdated conventions and will eventually achieve their long – awaited empowerment. True development means the development in the three facets of a woman, which will ensure her fullest individual development equality in social status and economic self – sufficiency. Economic development is one of the prerequisites for the people who are in the clutches of poverty, especially poor women, to ameliorate their status and live a dignified life in

\(^1\) National Foundation of Women Business Owners. Women entrepreneurs are a growing trend. 1998.


the society\(^4\). The importance of encouraging women to engage in economic activities is being increasingly realized especially in all developing countries. It has a two – fold implication;

i. To empower women by bringing them into the mainstream of development by improving their economic status and

ii. To provide them with new employment opportunities as sources of income generation, self-employment and entrepreneurship in all the sectors engaged in national development and reconstruction.

Women’s economic empowerment is seen today as the most important factor, contributing to equality between women and men. Economic stability increases an individual’s options and choices in life. Economic empowerment puts women in a firm footing and makes them competent to participate, together with men, in the process of giving shape to progressive social order to influence development at all levels while ensuring their families and their own wellbeing. Economic empowerment of women is a human rights and social justice issue, but it also helps alleviate poverty, and strengthen economic growth and development. The economic contribution of women, especially in low-income households, is vital for household survival. Furthermore, their increased participation in the labour force stimulates economic growth, in the short term through increased consumption and in the longer term through differential savings\(^5\).

Pertinent in the context is the studied opinion of former President of India APJ Abdul Kalam; “empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to development of a good family, good society and ultimately a good nation.”\(^6\).

\(^4\) Manimekalai & Rajeshwari (2001), Galab & Chandrasekhara Rao (2003), Qazi, Moin (2005:40) and Bapuji (2008:188) et al. discussed about the importance of economic development to eradicate poverty and empowerment of women as well


Women can achieve economic empowerment if

1. Opportunities are available and women have the skills to utilize them;
2. They have access to economic opportunities and control over the economic benefits accruing from those opportunities; and
3. They can use those benefits to make strategic choices, leading to positive changes in their lives.

Entrepreneurial activity is widely seen as an engine of economic growth. It can contribute to the creation of wealth and jobs, may foster innovation and provides autonomy and a sense of personal accomplishment to the individual. Women are even now kept aloof from participating in entrepreneurial activities. However, currently there is a growing recognition that development can be significantly accelerated if more and more women could be encouraged to become entrepreneurs. But the fact remains that woman as entrepreneurs need to be supported⁷. Women, while still a minority in the business world, have in them inherent entrepreneurial potential and are, or can be, an important resource for economic growth and, by implication, for job creation. Women’s entrepreneurship appears to be an “untapped source of economic growth”⁸. Despite the fact that women represent more than half of the world population and are very large source of human capital with huge potential⁹, they account for only less than half of their male counterparts in the field of business initiation and promotion. However, women are starting small business in record numbers. Although women’s participation in entrepreneurial activity is increasing all over the world, their activity is still undervalued and underplayed. Women-owned businesses are generally less profitable than men’s, their size remains small in terms of revenues and number of employees, owing to the limitations of the spheres where they develop their businesses: retail and services.

It is high time that our female folk imbibed the entrepreneurial spirit. Entrepreneurs are driving a revolution that is transforming and renewing economies

⁸ Minniti, M. Characteristics of the Entrepreneur, GEM 2004 Global report; launch in London, January 20, 2005
⁹ Diana Project, 2005
worldwide. There, however, exists the need for increased female participation in meeting the challenges posed by the fast changing global economic pattern. Entrepreneurship is the basis of free enterprise since the emergence of new business gives vitality to a market economy. Newly emerging business brings out a large proportion of new products and services that influence the way we work and live. They include personal computers, software, the internet, biotechnology, cosmetics, drugs of various kinds, hospitality services, and cottage industrial products. They generate jobs on a scale unimaginable a few decades ago. Whenever, a discussion on national human resources takes place it is common to describe them as ‘manpower resources’ because it is widely believed that men are the producers of the economic wealth and they alone have the prerogative of getting recognized and rewarded for the final outcome. According to Desai and Krishnaraj, ‘Men and women both work, the difference lies in the kinds of work they do, where it is done, how it is done, for what kind of reward and so on. If by ‘work’ we imply broadly ‘economic activity’, then women have always worked. It cannot be otherwise.’

Small Scale Industries (SSI) plays a key role in the industrialization of a country. It is considered as an important means for checking concentration of economic power in the few hands and bringing about economic dispersal and more equitable distribution of national income. The nature and character of SSI is congenial to women to become entrepreneurs. To empower women and attain economic independence, development of women entrepreneurship is essential. Gainful employment has been viewed as a critical entry point for women’s integration in development. A woman as an entrepreneur is economically more powerful than as a mere worker because ownership not only confers control over assets (and liabilities) but also gives her freedom to take decisions. This will also boost her social status significantly. Through entrepreneurship development a woman will, not only, generate income for herself but also will generate

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12 www. Technopreneur.net
employment for other women in the locality and this will have a multiplier effect in
the generation of income and poverty alleviation. By employment, women do not
remain as objects of social change, but become agents of it. They cease to be
consumers of economic goods and services and turn into ‘producers’. They
participate in social reproduction as well as reproduction of labour for the next
generation. Where women are economically active, female children are perceived as
potential wage earners and they receive a higher share of household resources than
where women are economically unproductive. Entrepreneurship development
among women can be considered a positive approach conducive to the
empowerment of women.

Investment in women’s entrepreneurship is an important way for countries to
exponentially increase the impact of new venture creation. Ignoring the proven
potential of women’s entrepreneurial activity means that countries put themselves at
a disadvantage and disuse an important opportunity tool for achieving economic
growth. For this reason, finding ways to empower women’s participation and
success in entrepreneurship is critical for ensuring sustained and successful
economic development in all countries. Nowadays many countries are making
efforts to support entrepreneurship and are interested in knowing how government
policies and other factors can influence the amount and type of entrepreneurship.
The interest in this problem is also confirmed by the attention that many
international bodies like OECD and Eurostat are dedicating to the study of this
phenomenon.

1.1 STATUS OF WOMEN IN KERALA

The much acclaimed Kerala model of development is well known and hardly
needs a detailed explanation. Kerala is the only state in India, where women
outnumber men with a high sex ratio ever since 1951. The literacy rate, health status,
empowerment of women and other indicators show that Kerala women are far ahead
of their counterparts in the rest of the country. Its level of social development is

Foundation, University of Calicut, Thrissur.
almost at par with the level of development in the highly industrialized countries including the United States\textsuperscript{15}. Kerala’s per capita SDP has been growing even faster than the all India average because of its low population growth\textsuperscript{16}. As a consequence of this, women have entered almost all walks of social life in the state. A bird’s eye view the status of women in Kerala will reveal that even though the indicators in social development are enviable a proportionate level of achievement is not found in the economic front, especially in the cadres of employees and entrepreneurs. Women in employment are in the low earning category of the economy. The SSI will continue to be impressed, as small scale industrial units with less environmental problems are preferred to and more suitable than large industries, especially for a region with dense population like Kerala.

Because of the laudable efforts being made and promotional and protectionist policies, being followed by the government women enterprises have emerged as a vital and dynamic sector of the economy. This segment has widened its operational ambit by entering into various nontraditional areas leading to phenomenal increase in the number of women enterprises. Before 1978 there were only 73 SSI units registered in the name of women in Kerala. 80 percent of the women enterprises were founded during the period 1991-2000. The total number of women enterprises in the state increased from 6967 in 1989-1990 to 38364 in 1999-2000 and to 44,116 in 2009. But the fact remains that most of them are yet to attain viability. In order to utilize this potential and to keep their growth continuum, it is necessary to formulate strategies, suitable for stimulating, supporting and sustaining the development of women entrepreneurship. Such a strategy needs to be in congruence with realities, and should take cognizance of the problems those women entrepreneurs face as a result of the ongoing trends of liberalization and globalization. The state possesses many advantages such as abundant supply of human resource, excellent transport and communication facilities, sufficient local savings for investment (in terms of bank deposits), natural resources that can provide many useful key raw materials for several industries, institutional set up etc, suitable

\textsuperscript{15} Government of Kerala, 2001.  
\textsuperscript{16} Human Development Report 2005, Kerala
for economic and entrepreneurial development. However, not withstanding such an advantageous position, the poor infrastructural facilities and industrial base inherited by the state, at the time of its formation poses formidable problems in the path to progress. This might have been the outcome of a long spell of colonial rule in the region. However, large scale migration of investment and industries to the neighboring states, incidence of increasing industrial sickness, high mortality rate in the small scale sector, etc reveal that the industrial climate in the state is not conducive for entrepreneurship development. Shortage of power is another major weakness; High rates of minimum wages, unwise taxation policy and political instability are some other factors which account for the low rate of entrepreneurship development, and the slow pace of industrialization.

However, the fact that the government is sharing genuine interest in promoting women entrepreneurship is enough to dispel the gloom. The work participation rate indicates the economic empowerment of women in the society. The status of women is ultimately connected with their economic position, which in turn depends on opportunities for participation in economic activities. In spite of Kerala’s high literacy level the work participation ratio is quite low. The table given below carries details of work participation rates for males and females in Kerala and those at the all India level.

**TABLE 1.1**

**Work Participation Rates in Kerala and all-India**

<table>
<thead>
<tr>
<th>Category</th>
<th>Kerala 1993-94</th>
<th>Kerala 1999-00</th>
<th>Kerala 2004-05</th>
<th>All-India 1993-94</th>
<th>All-India 1999-00</th>
<th>All-India 2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural male</td>
<td>53.7</td>
<td>55.3</td>
<td>55.9</td>
<td>55.3</td>
<td>53.1</td>
<td>54.6</td>
</tr>
<tr>
<td>Rural female</td>
<td>23.8</td>
<td>23.8</td>
<td>25.6</td>
<td>32.8</td>
<td>29.9</td>
<td>32.7</td>
</tr>
<tr>
<td>Urban male</td>
<td>55.9</td>
<td>55.8</td>
<td>54.7</td>
<td>52.1</td>
<td>51.8</td>
<td>54.9</td>
</tr>
<tr>
<td>Urban female</td>
<td>20.3</td>
<td>20.3</td>
<td>20.0</td>
<td>15.5</td>
<td>13.9</td>
<td>16.6</td>
</tr>
</tbody>
</table>

Source-NSSO Round (2004-05)

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17 Economic review, state planning board 2008.
The latest NSSO Round data for the year 2004-05 reveals that much higher WPRs for men and women compared to the Census report (see Table 1.1). But Kerala presents a different picture. While rural WPRs show a nominal increase, those for urban areas show stagnation. Since the early 90s, 20 per cent of urban women are working in the principal and subsidiary status. The factors that led to the decline in female work participation rate include the structural changes of employment in the state. Several labor-intensive activities such as rice cultivation and traditional cottage industries have been declining in Kerala, during the past three decades. These were the two major areas in which most of the women workers had found employment. The conversion of agricultural land to non-agricultural uses and of paddy fields to the cultivation of commercial crops had reduced the need of women work force in the agricultural sector from 43.6 per cent in 1981 to 36.1 per cent in 1991. The data shows a stillness of WPRs for women in rural areas and a slight increase in the urban WPR in Kerala. The most significant aspect of female employment in Kerala is that only a small proportion of women are employed in the primary sector. However, a deeper probe of the non agricultural activities reveals a large concentration of women in the traditional industries-coir, cashew, beedi, handloom, kadhi, mat and basket weaving.- in which earnings are low and conditions of work poor there by stifling the process of a healthy transformation.

An important reason for the decline in the female work participation rate is the severe problem of unemployment in the state. The unemployment rate in Kerala is three times larger than that in India taken as a whole. So formidable is the severity of unemployment that the women get discouraged and in consequence, a good many of them drop out of the workforce. The rapid expansion of higher education in the state and the consequent steady increase in the supply of graduates increased the educated unemployment in the state. Educational achievements also fail to give any satisfactory explanation for the low female employment rate. Women exceed men in the ratio in every field of education except those of secondary education and technical diploma. At the graduate level and above, women fare better than men. But women’s educational achievements are not translated into gainful employment.
opportunities; they fall short almost three times and superseded by their less qualified male counterparts. Low levels of female employment and persistence of gendered work structure have weakened women’s claim to independent sources of income. The types of education women receive also impede their chances for unemployment. Women’s concentration is more obvious in the field of general education without any skill orientation and professional bias. This is particularly evident in the sphere of non-technical diploma education with 16 per cent of men and 7 per cent of women opting for it. The low participation rate is also partly caused by changes in the structure of employment. The sex-based division of labour has resulted in the concentration of women in low paying unorganized sectors, such as agricultural labour, cottage and traditional industries and in the low cadres of the service sectors. Entrepreneurship is characterized as the third option. The third option is the option for an individual to be self-employed and/or the employer of others. In this atmosphere of growing unemployment and tough competition, the third option has now become a necessary choice for each individual, particularly in Kerala.

In this era of globalization of world trade, an increasing role is being assigned to the private sector in many developing countries. In parallel to, and as part of this shift, there has been the emergence of the micro and small-scale enterprise (MSE) sector as a significant component in economic development and employment. In many countries this sector—with both its informal and formal components—has increasingly been seen as a means of generating meaningful and sustainable employment opportunities, particularly for those at the margins of the economy—women, the poor and people with disabilities. While the MSE sector is expanding in most of countries in the world—in many cases creating markets and quickly adapting to the ever-changing needs of global consumers—the painful truth is that these smaller enterprises face particularly severe competition as many of them operate at the margins of the formal economy with far less resources at hand than the larger more established global players. Furthermore, micro and small enterprises

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have become the victims of a “scale bias” under national and regional industrial and enterprise development policies that are not always supportive (ILO, 2001). One characteristic of MSEs that contrasts to that of larger business is the relative larger presence of women as enterprise owners. While women are active in MSEs, they have to face some special problems and challenges in developing their businesses. In addition to the general problems faced by all small-scale entrepreneurs, women are frequently subjected to the evil effects of the gender bias in the socio-economic environment in which they operate. They find themselves ill fated to meet hostile social, cultural, educational and technological challenges when it comes to establishing and developing their own enterprises, and accessing economic resources. Furthermore, it is widely recognized that women in most societies shoulder the added burden of family and domestic responsibilities, and this has a detrimental or limiting impact upon their ability to generate income outside of the home.

In Kerala, MSMEs have been provided with special support by the government owing to its high employment and growth potential. This sector contributes greatly towards domestic needs, export marketing and foreign exchange earnings by producing varieties of products ranging from traditional to high tech. Though the volume of production of MSME sector is very large, the qualities of production, diversification of products, energy consumption and environmental effects have always been a concern. The total number of small scale industry/MSME units registered in Kerala as on 31st March 2010 is 213740. Out of this 7334 are promoted by SCs, 1449 by STs, 46621 by women and 158336 by others. The total investment is 731212.13 lakh, the total number of employment generated is 831847 and value of goods and services produced is 1545949 lakh.
Table 1.2
Participation of Women in SSI Sector in Kerala- Fourth all India Census 2006
(Reference Period- Till 2007)

<table>
<thead>
<tr>
<th>Kerala</th>
<th>Size of the sector</th>
<th>Total SSI sector</th>
<th>No of women enterprises</th>
<th>Per cent</th>
<th>No of units managed by women</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regd SSI sector</td>
<td>149846</td>
<td>38281</td>
<td>25.55</td>
<td>30224</td>
<td>20.17</td>
</tr>
<tr>
<td></td>
<td>Un reg sector</td>
<td>1318258</td>
<td>262911</td>
<td>19.94</td>
<td>N.A</td>
<td>N.A</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1468104</td>
<td>301192</td>
<td>20.52</td>
<td>30224</td>
<td></td>
</tr>
</tbody>
</table>

Source: fourth all India census of SSI units, 2006

In terms of the number of working units Kerala has a share of 9.65 per cent while with regard to the closed units share is 7.16 per cent. The total number of working enterprises in Kerala as per the fourth all India census, women enterprises constitute 38276, males-111570, SCs- 6165, STs-1184, OBC-83619, others—58878, and the total number is 149846. The study further reveals that the number of working units in Kerala is 149846, the number of closed units is 34418 and the number of non traceable units is 17784 and the total number is 202048. In Kerala the percentage of female employment to the total employment rate in the state is 37.15. The number female employee in the registered SSI sector is 189640 and in the unregistered SSI sector is 224491 and the total numbered percentage is 414131. The employment generated in Kerala by the working Micro, Small and Medium enterprises in the registered sector is 622940, in the unregistered sector it is —2401184, and the total number is 3024124. The total number of units in Kerala is Micro—148152, Small—1603, Medium—91 and total number is149846. 113939 of the units in Kerala have started the enterprises through self-financing. The number of those floated with the backing of financial institutions is 33011 and of non-financial institutions is 2896 and the total number is 149846.

There has been a significant increase in the number of registered women SSI units in Kerala during 1996-2005. The number of SSI units registered in Kerala in 1996 was 18469. In 1997, the figure rose to 25310. In 1998, the number of units
increased to 29,976. It again increased to 34,435 in 1999. The numbers of SSI units as on 2000, 2001, 2002, 2003, 2004 were 38,364, 41669, 45985, 49101 and 50493 respectively. In 2005, the number of registered women SSI units increased by about 3 times, compared with the women SSI units in 1996 and the figure was 51871. In 2010 the total number women SSI units was 46621. The district wise details of SSIs registered in Kerala from 2002-2010 are shown in the following table.

Table 1.3

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trivandrum</td>
<td>5774</td>
<td>5355</td>
<td>6449</td>
<td>5191</td>
<td>6440</td>
<td>6224</td>
<td>6082</td>
<td>6065</td>
<td>5612</td>
</tr>
<tr>
<td>Kollam</td>
<td>4913</td>
<td>4688</td>
<td>7160</td>
<td>4447</td>
<td>6958</td>
<td>6775</td>
<td>6535</td>
<td>6208</td>
<td>5843</td>
</tr>
<tr>
<td>Pathanamthitta</td>
<td>2794</td>
<td>2657</td>
<td>2972</td>
<td>2532</td>
<td>2971</td>
<td>2957</td>
<td>2897</td>
<td>2748</td>
<td>2421</td>
</tr>
<tr>
<td>Alappuzha</td>
<td>4409</td>
<td>4316</td>
<td>6077</td>
<td>4225</td>
<td>5901</td>
<td>5620</td>
<td>5459</td>
<td>5297</td>
<td>4900</td>
</tr>
<tr>
<td>Kottayam</td>
<td>5566</td>
<td>5414</td>
<td>4998</td>
<td>5244</td>
<td>4966</td>
<td>4818</td>
<td>4699</td>
<td>4555</td>
<td>4241</td>
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<tr>
<td>Idukki</td>
<td>1887</td>
<td>1785</td>
<td>2544</td>
<td>1671</td>
<td>2491</td>
<td>2477</td>
<td>2395</td>
<td>2335</td>
<td>2241</td>
</tr>
<tr>
<td>Ernakulam</td>
<td>5385</td>
<td>4980</td>
<td>5490</td>
<td>4613</td>
<td>5406</td>
<td>5252</td>
<td>5123</td>
<td>5007</td>
<td>4564</td>
</tr>
<tr>
<td>Trissur</td>
<td>4931</td>
<td>4519</td>
<td>4902</td>
<td>4033</td>
<td>4765</td>
<td>4621</td>
<td>4435</td>
<td>4226</td>
<td>3973</td>
</tr>
<tr>
<td>Palakkad</td>
<td>2886</td>
<td>2761</td>
<td>4120</td>
<td>2593</td>
<td>4051</td>
<td>3970</td>
<td>3897</td>
<td>3878</td>
<td>3770</td>
</tr>
<tr>
<td>Malappuram</td>
<td>1569</td>
<td>1525</td>
<td>1999</td>
<td>1355</td>
<td>1983</td>
<td>1940</td>
<td>1918</td>
<td>1880</td>
<td>1779</td>
</tr>
<tr>
<td>Kozhikode</td>
<td>2452</td>
<td>2367</td>
<td>2930</td>
<td>2313</td>
<td>2910</td>
<td>2905</td>
<td>2856</td>
<td>2753</td>
<td>2612</td>
</tr>
<tr>
<td>Wayanad</td>
<td>1012</td>
<td>981</td>
<td>1654</td>
<td>954</td>
<td>1649</td>
<td>1646</td>
<td>1639</td>
<td>1639</td>
<td>1563</td>
</tr>
<tr>
<td>Kannur</td>
<td>1893</td>
<td>1802</td>
<td>1817</td>
<td>1346</td>
<td>1811</td>
<td>1767</td>
<td>1676</td>
<td>1646</td>
<td>1572</td>
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<tr>
<td>Kasargod</td>
<td>1150</td>
<td>966</td>
<td>902</td>
<td>788</td>
<td>902</td>
<td>899</td>
<td>882</td>
<td>864</td>
<td>864</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>46621</td>
<td>44116</td>
<td>54014</td>
<td>41305</td>
<td>53204</td>
<td>51871</td>
<td>50493</td>
<td>49101</td>
<td>45985</td>
</tr>
</tbody>
</table>

Source: state planning board, various issues

The data related to district wise number of women SSI units registered in Kerala reveal that Ernakulam occupies foremost position in terms of the value of goods produced, investment made and employment provided and wayanad stands at the bottom of the scale. The number of new enterprises that filed memorandum during 2009-2010 was 9322 where as it was 8421 in 2008-2009. These enterprises made an investment of 73046.34 lakh providing employment to 60876 persons. Out of the new enterprises that filed memorandum, 266 are promoted by SCs, 16 by STs, 2505 by women, and 6535 by others.
1.2. STATEMENT OF THE PROBLEM

Kerala is the only state in India where women outnumber men. No other state in the country has attained such a level of physical quality of life index (PQL), lower infant mortality, higher life expectancy, and higher literacy as Kerala has. Despite these advantages, the role of women in the economic field is at low ebb and their contribution towards industrial development is meager. One of the reasons that could be attributed for the slow pace of progress of women with particular reference to the industrial sector is the lack of 'entrepreneurship' warranting qualities such as desire, determination and courage. Women of Kerala lag behind in these areas resulting in their marginalization in the task of boosting the industrial economy of the state. The condition is much better in most other states in the country. The dearth of women in the public domain of Kerala, despite the commendable improvement in their educational and health status presents a paradox that has drawn considerable public attention during the recent years. The realization that women can make substantial contributions to the economy has led social scientists, policy makers and administers to devise ways and means of developing planned entrepreneurship with particular emphasis on women. The government in its efforts to create entrepreneurship in the underdeveloped regions has started creating conditions for women’s participation, including infrastructural facilities, assistance in marketing the products. Other incentives are also given in the form of providing raw materials, capital and subsidies. With this thrust in view, the state government has instituted various agencies to cater to the different needs of women entrepreneurs. The governmental efforts, incentives and benefits are being extensively advertised. All these are likely to attract those women, competent to assume the role of entrepreneurs and enable them to establish their own industrial units. Furthermore, some special institutions have been created to identify well-developed sites for locating industries and there are agencies, attending to entrepreneurs’ problems. Of course, such efforts are necessary to make up for the limitations of small entrepreneurs. But in spite of these incentives the participation of women in the wealth creation process is far from satisfactory. By and large, the pronouncements in
this regard have turned out to be mere political rhetoric. Much remains to be done. However, the government has introduced several new programmes. A critical evaluation of the existing governmental and nongovernmental efforts indicates that training and technical assistance offered are not geared to suit the individual needs. They are only “capsule” inputs focusing on the vested interests of individual trainers and considering the training as an “end” in itself. In the light of institutional and financial support held out to the women entrepreneurs from different sources in recent times, an extensive survey and an intensive assessment of women enterprises and women entrepreneurship promotional programmes in the state of Kerala are of utmost importance, even an imperative necessity. All these important reasons embolden the researcher to make a probe in this direction. It is found necessary to evaluate the performance and problems of all available entrepreneurs. It also includes profiles of most of the key agencies involved in promoting women’s entrepreneurship and specific recommendations for policy-makers aimed at enhancing the economic empowerment of women throughout the country. Since women entrepreneurs are predominantly found in the small scale sector, a review of the development of women in this sector which will provide a vivid picture of their status in the entrepreneurial scenario will form an important part of this research. The researcher legitimately hopes that this enquiry yields valid insight for the optimum development of women entrepreneurship which is vital for the economic prosperity of the state.

1.3 OBJECTIVE

The broad objective of the study was to find out the efficacy of the various women entrepreneurship promotional measures, being promoted by the government and financial institutions in the state and to identify the insufficiencies and flaws. The specific objectives of the study were;

1.3.1 Specific Objectives

1. To analyze the reasons for the slow growth of women entrepreneurship in Kerala.

2. To find out the motivational factors behind women entrepreneurship and also
to know the type of supports received by the entrepreneurs from the government, financial institutions and family members.

3. To enquire into the specific problems confronting the women entrepreneurs in the state and also to study the performance of women entrepreneurs.

4. To suggest appropriate measures to overcome the common problems and issues faced by women entrepreneurs.

The researcher has visited several women entrepreneurs and also had parleys with officials connected with women entrepreneurial promotional institutions. All these efforts were made in order to keep abreast of the plight of the existing women enterprises and to gain sufficient insight on the problems and difficulties confronted by the existing women entrepreneurial ventures and also to make a prima facie assessment and understanding of the promotional agencies. The insight gained from the above endeavors the researcher got the inference that the efforts taken by the promotional agencies are not at all effective for nurturing women entrepreneurial ventures in the state. Besides as the findings of the various research studies included in review of literature were inconclusive, the following 13 null hypothesis have been formulated for this study.

1.4 HYPOTHESES

1. There is no significant difference between women entrepreneurs from various districts on the awareness of governmental agencies.

2. There is no significant difference in the entrepreneurs belonging to different districts with respect to training programmes attended.

3. There is no significant difference between the amounts availed from entrepreneurship development promotional agencies and success rate.

4. There is no significant difference between trained and non-trained entrepreneurs in terms of success rate.

5. There is no significant difference between the skills developed before and after attending the training programmes.

6. There is no significant difference in the business performance indicators of
the entrepreneurs before and after attending training programmes.

7. There is no significant difference between the success rates of entrepreneurs with respect to experience before the establishment of the enterprise.

8. There is no significant difference in success rate of entrepreneurs with respect to business awareness.

9. There is no significant difference in success rate of entrepreneurs with respect to the district to which they belong.

10. There is no significant difference in success rate of entrepreneurs with respect to age category of the respondents.

11. There is no significant difference in success rate of entrepreneurs with respect to education.

12. There is no significant difference in success rate of entrepreneurs with respect to reasons for entering entrepreneurship.

13. There is no significant difference in success rate of respondents with respect to the nature of enterprise.

1.5 VARIABLES USED IN THE STUDY

To identify the socio-economic and business profile of women entrepreneurs.

1. Age
2. Education
3. Marital status
4. Religion
5. Marital status
6. Place of birth
7. Family background
8. Family occupation
9. Family size
10. Reasons for entrepreneurial career
11. Nature of unit
12. Year of establishment
13. Mode of starting
Chapter 1

Introduction

AN ANALYTICAL STUDY OF THE IMPACT OF WOMEN ENTREPRENEURSHIP DEVELOPMENT MEASURES PROMOTED BY THE GOVERNMENT AND FINANCIAL INSTITUTIONS IN KERALA

14. Location of business
15. Initial investment made
16. Management of the business
17. Source of funds
18. Marketing and promotional strategies
19. Fixing of selling price
20. Mode of sales
21. Nature of help from family members
22. Conflict between domestic and entrepreneurial role

To identify the role of Government and Financial institutions in the development of women entrepreneurship

1. Awareness of government agencies
2. Government agencies approached
3. Availing of the schemes of assistance
4. Training programmes attended
5. Type of training attended
6. Skills developed through training (before and after training)
7. Business performance indicators (before and after training)
8. Development/support services utilized
9. Response regarding general services
10. Awareness of financial institutions
11. Financial institutions approached
12. Lending schemes utilized
13. Sufficiency of the borrowed fund
14. Time lag between application and sanctioning of loan
15. Problems faced while availing assistance
16. Awareness of associations meant for women entrepreneur
17. Attitude towards support organizations
To calculate Entrepreneurship Success Index (ESI),

1. Profitability
2. Social recognition
3. Consumer satisfaction
4. Brand recognition
5. Quality of products
6. Capacity utilization
7. Diversification of products
8. Level of satisfaction

For identifying the problems of women entrepreneurs

1. Financial problems
2. Marketing problems
3. Socio- personal problems
4. Production problems
5. Labour problems
6. Technical problems

1.6. METHODOLOGY

1.6.1 Universe

The respondents of the study consist of women entrepreneurs, employees of government and financial institutions. The study involved collection of required information from women entrepreneurs. At the time of embarking upon the research study, a meticulous examination of the district wise details of women owned SSI units in the state was ascertained.
Table 1.4
District wise details of units registered till March 2006.

<table>
<thead>
<tr>
<th>Districts</th>
<th>Units registered till 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trivandrum</td>
<td>6440</td>
</tr>
<tr>
<td>Kollam</td>
<td>6958</td>
</tr>
<tr>
<td>Pathanamthitta</td>
<td>2971</td>
</tr>
<tr>
<td>Alappuzha</td>
<td>5901</td>
</tr>
<tr>
<td>Kottayam</td>
<td>4966</td>
</tr>
<tr>
<td>Idukki</td>
<td>2491</td>
</tr>
<tr>
<td>Ernakulam</td>
<td>5406</td>
</tr>
<tr>
<td>Trissur</td>
<td>4765</td>
</tr>
<tr>
<td>Palakkad</td>
<td>4051</td>
</tr>
<tr>
<td>Malappuram</td>
<td>1983</td>
</tr>
<tr>
<td>Kozhikode</td>
<td>2910</td>
</tr>
<tr>
<td>Wayanad</td>
<td>1649</td>
</tr>
<tr>
<td>Kannur</td>
<td>1811</td>
</tr>
<tr>
<td>Kasargod</td>
<td>902</td>
</tr>
<tr>
<td>Total</td>
<td>53204</td>
</tr>
</tbody>
</table>

It can be seen from the table that accordingly the North Malabar regions have comparatively less number of such women entrepreneurial ventures and also the number of live units are less in the north Malabar region. Therefore an analysis regarding the districts where more number of women entrepreneurial ventures registered under DIC was done. So the districts of Malappuram, Wayanad, Kannur and Kasargod were excluded from the universe for the study and to select the number of districts from the remaining 10 districts for the detailed study, simple random sampling (Lottary method) was resorted. And so the selected 6 districts for detailed study are: Trivandrum, Alappuzha, Kottayam, Idukki, Ernakulam and Trissur.

1.6.2 Selection of sample

For selecting the sample women entrepreneurs for the study, the list of the names and addresses of registered units was collected from the District Industries Centers (DICs). The main criteria for selecting units for the detailed study were:

a. The women entrepreneurs, who registered their units on or before 31st March, 2006 were selected.

b. Those units in which the owned women entrepreneurs have a definite say and active involvement were chosen for the detailed study. Therefore, judgment
sampling technique was used in conformity with the afore mentioned criteria for selecting the sample.

The women entrepreneurs who registered their units on or before 31\textsuperscript{st} March 2006 were selected, because it should be a running unit for at least 3 years and have overcome its initial teething troubles. According to the data of the industrial records, there were 53204 units registered in the name of women as on 31\textsuperscript{st} March, 2006. And the total numbers of units in these six districts are 29969 as on 31-03-2006. A uniform sample of 50 women entrepreneurs per district was taken. So the sample number for the study constitutes 300 units.

Intensive interviews were carried out personally by the researcher over a period of five months on the basis of a comprehensive schedule, appended to the thesis. The collection of data was a hectic task, as the list available from the District Industries Centers did not tally with the existing women entrepreneurs. It was quite challenging to locate the women entrepreneur’s given that most of the lists did not show their exact location. It was also found that only half of the total number is actually functioning. Others were closed down or could not be traced either because the firms had gone out of existence /changed name, ownership, location or were only paper organization and had never been in the field. Moreover, many of the functioning units were found to be managed by men in the family. The proportion of jointly managed units was equally high. Very few units were run entirely by women. Another problem faced was that while the entrepreneurs and the addresses remain unchanged, the type of enterprise and even its name had changed. It was found that some of the selected units were defunct or not functioning in the reported premises. There were also units which were registered but were never started because the loan they applied did not come through. And many of the units were unwilling to give the details, were not available in spite of repeated visits, and were angry about too many official visits. During the course of data collection, the researcher tried to contact the entrepreneurs on phone, many of the women entrepreneurs were not ready to talk without consulting their husbands, many of them handed the phone to their husband, and they disconnected saying that they were not interested in any studies. It seems that they were afraid that it was a sort of follow up from the government agencies.
Obstacles faced during the data collection phase were important and still exist for future researches. As most of the units are not functioning or difficult to locate; stratification of enterprises belonging to different product lines was not possible. Care was taken to ensure that women entrepreneurs were taken from all the product groups. In the case of units found not functioning, or not traceable and those units which are registered in the names of women but have no role to play, then the next unit from the list was taken. Repeated visits were needed in most cases. So in the cases of units which were unidentifiable, not existing, or were as such only for name sake, the next one from the list was taken.

1.6.3 Sample Government and Financial Institutions
The agencies from where the sample Women Entrepreneurs had availed themselves of various assistances have been selected as the sample agencies for the study. The researcher had visited and acquainted with the officials of those government and financial institutions from where the selected respondents had availed themselves of various assistances. These institutions include Directorate of Industries and Commerce, District Industries Centers of the 6 districts, Ministry of Micro, Small and Medium Enterprises, Kerala Financial Corporation, Kerala Small Industries Development Corporation, Kerala Industrial and Technical Consultancy Organization, Kerala State Woman Development Corporation, Kerala Institute of Entrepreneurship Development, Kerala - Public sector banks, RRBs, Co operative banks Private Banks and Private sector banks. The researcher had interviewed twenty three government officials and eighteen officials from financial institutions.

1.7. SOURCES OF DATA

Data were gathered from both primary and secondary sources. The primary data were collected from women entrepreneurs and the various officials in Government and non government sector engaged in the development of women entrepreneurship activity. Secondary data has been mainly drawn from various records and publications of Directorate of Industries and commerce, state planning board, district industries centers, Khadi and village industries board, MSME – DI,
Website of Government and non-government organizations and also from books, journals, magazines and Internet. The reports of various commissions and committees have been of immense help in the study.

1.8. TOOLS FOR DATA COLLECTION

Since the study was basically of survey nature, the major research tool for data collection was interview schedule. The interview schedule was standardized after conducting a pilot study. The copy of the interview schedule is given in appendix.

1.9. TOOLS OF ANALYSIS

The data collected were classified in order and suitably analyzed keeping in view the objectives set for the study. For the purpose of analysis, the statistical tools such as averages, percentages, ratios, weighted average and Wilcoxon matched Paired test were used in the study. Chi-square, Anova test and T test were used to test the hypothesis and to draw inferences. Entrepreneurship Success Index (ESI) has been calculated to evaluate the success rate achieved by the women entrepreneurs.

1.10. FUTURE RESEARCH SCOPE

The scope for future research based on the findings of the study includes; Research to be undertaken about the women entrepreneurs in the unregistered sector who are performing extremely well compared to the registered units with the DIC.

1.11. LIMITATIONS OF THE STUDY

The limitations which influenced the study are listed below. The study has been made on the basis of secondary and primary data.

1. The secondary data have been obtained mainly from the report and publications of the government departments. Therefore the accuracy of the study based on secondary data depends upon the reliability of data obtained from these sources.
2. The primary data have been obtained from direct interview. Most of the women entrepreneurs were small or tiny units with small investments. In many cases, they did not have the practice of documentation and keeping records.

3. The co-operation of respondents is very much required for a survey based research. The co-operation of few respondents did not come up to the expectations.

4. As most of the women enterprises are SSI units with limited capital investment, the study is mainly confined to assessing their socio economic status, problems, etc. this may not be the situation of large sized women managed enterprises with high capital investment.

5. Unregistered units were excluded from the scope of the study, though they may be as large in number as the registered units.

6. Owing to the non traceability of the wound up units, a study of the same could not be made.

1.12. RELEVANCE OF THE STUDY

The study will be helpful in identifying and strengthening the role of women entrepreneurs in the SSI units thereby helps to contribute towards the development process. It will also help to fulfill the social objectives. The study will thus contribute towards

1. Encouragement of entrepreneurship, particularly among the women entrepreneurship in the state of Kerala.
2. Improvement in the status of women.
3. Economic development through SSI sector.
4. Effective utilization of present and future government assistance schemes to SSI units of women entrepreneurs.

1.13. CHAPTERISATION

The entire study is divided into seven chapters. A brief outline of the different chapters is presented below. The first chapter is the introductory chapter and the research methodology. The second chapter goes into detail the concepts of
entrepreneurship, women entrepreneurship, the status of women entrepreneurs in SSI units in Kerala and India, and also about the various schemes of the central and state government for the development of women entrepreneurship. The third chapter is the review of literature. The fourth chapter is the analysis of data; it sketches out the socio-economic and business profile of women entrepreneurs. The fifth chapter is about the assistance sample women entrepreneurs had received from government agencies and financial institutions. The sixth chapter is the various problems faced by women entrepreneurs. And the seventh chapter summarizes the study, presents the conclusions that can be drawn and Suggestions.