CHAPTER I

“When women move forward, the family moves, the village moves”¹

- Pandit Jawaharlal Nehru

1.1 INTRODUCTION

Women entrepreneurship plays an important role in the context of development of any country, particularly in a developing country like India where women constitute 48.2 percent (49.6 crores – 2001 census) of the total population. However, they lag behind men in terms of level and quality of employment. Though the percentage of employed women in India increased from 19.7 percent in 1981 to 25.7 percent in 2001, majority of them were employed in rural areas where 87 percent were involved in agriculture as laboures and cultivators². Similarly, majority of women workers engaged in unorganized sectors in urban areas work for low paid wages. They do not get child care and maternity benefits. It may be noted that globally and, particularly in developing countries, women are worse off than men in respect of health, education, political participation and economic status. An ILO report in 1980 states that women are 50 percent of the world’s population, do the two – third of world’s work, receive 10 percent of world’s income and own less than one percent of world property, all because of an accident of birth ³. Due to an accident of birth this vast human resource remains unrecognized and unaccounted.

Human resources and technology are the two important factors of growth in a new economic order. Activating these two factors requires entrepreneurship development in a big way in an economy. Entrepreneurship and economic development have been found to be positively correlated variables by various research studies conducted in different nations. The growth of developed economics may be attributed to a large extent to the growth of their entrepreneurship. Further, the growth
of women entrepreneurship has been relatively high in developed nations as compared to developing countries. Women-owned enterprises represented nearly 40 per cent of the business firms in the United States employing nearly 27.5 million people. It has been seen that women out number men by two times, particularly when it comes to starting new businesses in China during recent years. At present, there are over five million women entrepreneurs constituting one fourth of all the entrepreneurs in China. In Latin America, women constitute 15 to 20 per cent of all employers, concentrated largely in the commercial and service sectors. In Canada, one-third of small business is owned by women and in France, one-fifth of the industries are owned by women.

But in India the participation of women in economic activities is only about 34 percent. Keeping in view the experience of developed nations the Government of India too initiated various policy measures during the post liberalization period for the development of entrepreneurship. There has been a special focus on women through these measures to improve their participation in entrepreneurial related activities. The Government of India has set up a large number of institutions to provide financial and other support for the growth of entrepreneurship among women. The post-reform period has also witnessed substantial increase in the participation of NGOs in entrepreneurship development related activities. As per one estimate, about 9.5 per cent women entrepreneurs are engaged in small business. However, this proportion is quite low as compared to developed nations. There is a vast scope in the country to improve on this front within the changed socioeconomic scenario when literacy level among women has risen. Women are entering into technical education in large numbers and social change may also be noticed with the effect of modernization on life styles and attitudes. Their participation in entrepreneurial activities, however, has not increased with the rate it should have. This is due to immense and complex
problems of women in India. The most important problems of women are lack of access to finance, low level of entrepreneurial ability and low marketing of goods. The Self Help Groups have paved the way for removing the hurdles through micro credit mechanism. Micro credit is promoting small scale business (micro enterprise) and its aim is to alleviate poverty by income generating activities among women and poor.

1.2 MAJOR SCHEMES

The following are the major schemes for women operated by different departments and ministries of rural development to bring women into the mainstream of national development:

- Integrated Rural Development Programme (IRDP)
- Training of Rural Youth for Self-Employment (TRYSEM)
- Prime Minister’s Rojgar Yojana (PMRY)
- Women’s Development Corporation Scheme (WDCS)
- Mahila Samiti Yojana
- Rashtriya Mahila Kost
- Khadi and Village Industries Commission.
- Indira Priyadarshini Yojana
- SIDBI’s Mahila Udyam Nidhi, Mahila Vikas Nidhi, SBI’s sree Shakthi scheme
- NGO’s Credit Schemes.
- National Banks for Agriculture and Rural Development Schemes.

1.3 NEED FOR WOMEN ENTREPRENEURSHIP

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in developed and developing countries. A study conducted by IIT Delhi has revealed the following:
1. Women constitute 40 percent of the total work force in Asian countries.

2. In Japan, the percentage of women entrepreneurs increased from 2.4 percent in 1980 to 5.2 percent in 1995.

3. Women own one third of small business in USA and Canada.

4. Britain has seen the increase of over three times of women in work force than of men ever since 1980 s.

For a country like India, women entrepreneurship is very much needed. Women in India constitute about 50 percent of the population but their participation in economic activity compared to foreign countries is negligible. For developing countries like India, women entrepreneurship is of vital necessity to achieve rapid, all-round, regionally and socially balanced economic growth. It is now widely accepted that if national development has to be purposeful and relevant, women must have full-fledged participation in economic activities. The development of women as entrepreneurs will generate multifaceted socioeconomic activities which are now emerging as a universal phenomenon. Therefore, the development of women entrepreneurs is very important for today.

1.4 ENTREPRENEURSHIP THROUGH SELF-HELP GROUPS

Traditionally, women have been amongst the most disadvantaged sections of our society with regard to access and control over resources. Problems faced by them continue to be grave, particularly for illiterate and semiliterate women of rural and urban areas.

The inherent nature of the society in general is to keep women away from active involvement in the participation of political affairs, economic affairs and social activities because women were considered resourceless in terms of money, material and managerial ability and as such women were incapable of managing trade and
other activities. Single women cannot come out of the house due to social reasons and be entrepreneurs.

Women are in need of skill development, financial empowerment and leadership qualities. So a social movement in the form of women self help groups was sponsored and promoted by the government at the grass root level. Banks have been directed by the government to provide financial assistance to WSHGs and government departments have been directed to give technical and skill development training facilities to carry out certain kinds of work which are suitable for women certain in areas and arranging marketing facilities and procuring the products of WSHGs, arranging programmes for enhancing the capacity of women in terms of leadership quality and administrative capability. SHG women have developed their skills as well as generated employment opportunities leading to utilizing the local resources available in the rural areas. For this, the government has spent huge amounts of money through micro finance programmes for SHG members and have been expanded by nongovernmental organization in several parts of India for improving their socio economic status. This will enable members with no educational, industrial or entrepreneurial background to become self dependent, and self reliant by developing skills and then technology by setting up enterprise of their own or group may become an opportunity for women or groups to earn an income and acquire financial security through SHGs.

1.5 FACTORS INFLUENCING WOMEN ENTREPRENEURSHIP

In the traditional society, women were confined within the four walls of the house, playing household roles. But in the modern society, women are coming out to participate in all sorts of activities. Normally, women entrepreneurship is found in the
extension of their kitchen activities, mainly in preparing commercial products such as pickles, papads and masala powders.

Now a few of them venture into the services sector such as hospitality, catering, educational services and beauty clinics. Women prefer to work from their own residence because of difficulty in getting suitable jobs and the desire for social recognition that drive them towards self employment. The result is that, at present there are a lot of women professionals in engineering, medicine, law and chartered accountant.

General observation and several studies reveal that two factors influence the women entrepreneurs in India. They are (1) pull factors and (2) push factors.

**Pull Factors:**

Pull factors implies the factors which encourage women to become entrepreneurs. These include desires to do something new in life, need for independence, availability of finance, concessions and subsidies.

**Push factors:**

Push factors are those which compel women to become entrepreneurs. They include financial problems, responsibility in the family, unfortunate family circumstances like death of the husband or father, divorce and the like. However, the influence of these factors on women in becoming entrepreneurs is limited.

1.6 MICRO ENTERPRISE AND MICRO FINANCE

Micro enterprise is an effective instrument of social and economic development. Micro finance is an agenda for empowering poor women. Micro enterprises are an integral part of planned strategy for securing balanced development of the economy of the poor women. Rural women’s participation in agro-based activities is much more than what statistics reveal. This is mainly due to the fact that
most of the work done by the women at farm and home is disguised as daily chores. Mechanization and easy availability of labour provide more time to energetic women to engage themselves in self employment or entrepreneurial ventures. Rural women have human and non human resources to take up an enterprise and need an innovative mind and motivation. Entrepreneurship is a prime solution to the growing unemployment among rural youth. It helps to generate employment for a number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock centered task. Rural women possess abundant resources to take up enterprises. Entrepreneurship development among rural women helps to enhance their personal capabilities and enhance their decision-making status in the family and society as a whole.

Women entrepreneurs play an important role in local economies and a large percentage of micro-enterprises in developed and developing countries are undertaken by women. Increasingly, women in urban and rural areas are successfully turning to self-generated employment in small-scale enterprise activities in the informal sector to support their households. Rural women frequently have the primary responsibility for agricultural production in addition to domestic responsibilities and childcare. These responsibilities place heavy demands on women’s time, and microenterprise activities can potentially increase the contribution of women. Improving access to labour-saving technologies in any of these areas can free time for income generating micro-enterprise activities. In many countries, women are the majority of workers in nonstandard work, such as temporary, casual, multiple, part time, contract and home-based activities. SHG is promoting micro enterprise through micro-credit intervention in non standardised area.
1.7 IMPORTANCE OF THE STUDY

The development of women entrepreneurs is one of the crucial elements in the social and economic development as it enhances the quality of human resources. Further, the success of development efforts depends on the fruits of the development reaching women.

According to the 2011 census\textsuperscript{7}, there are 58,64,69,174 women out of a total population of 121,01,93,422 in India. Of these women, about 3605.19 lakhs live in the rural areas. But the share of women in the country’s labour force stands at 31.56 per cent only. The female work participation rate registered an increase from 32.3 percent in 2001 to 36.8 per cent in 2011. Of the 51.98 million female workers engaged in agriculture and allied activities, 45 per cent are employed as agricultural labourers. In addition, women’s access to land ownership is extremely limited and there is discrimination against women in fixing the wage rate due to the seasonal nature of work. Women workers get only 90 to 100 days of regular employment in a year.

Gender inequality is also felt in many aspects of women’s life. Lack of entrepreneurial ability and marketing skills restrict women to the traditional sectors, which do not yield enough income for them. Thus, effective management and development of women’s resources, viz., their abilities, interest, skills and other potentials are of paramount importance for the mobilization and the development of the entrepreneurship.

1.8 STATEMENT OF THE PROBLEM

Women constitute 50 percent of human resources. The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. In fact, women constitute 90 per cent of the total marginal workers of the country. Rural women who are engaged in agriculture form 78 per cent
of all women in regular work. Here the role of microcredit is to improve the socio and economic development of women and improve the status of women in households and communities. Self Help Group’s micro credit mechanism makes the members to involve in other community development activities. Micro credit is promoting small scale business enterprises and its major aim is to alleviate poverty by income generating activities among women and poor. The rural women are engaged in small scale entrepreneurship programmes with the help of Self Help Groups. Through SHGs they are being economically empowered and attaining status in family and community. They are engaged in starting individual or collective income generating programme with the help of self help groups. Because of the importance of self help groups in the emancipation of women and the development of women entrepreneurship, the researcher has chosen the present topic for an intensive study and titled the project as, “Development of Women Entrepreneurs through Self Help Groups - A Study in Thoothukudi District”.

1.9 OBJECTIVES OF THE STUDY

The following are the major objectives of the present study:

1. To identify the profile of the SHG members and their entrepreneurial competency and involvement.

2. To evaluate the various forms of empowerment among the SHG members at both pre and post income generating activity stages.

3. To study the overall attitude towards the income generating activity among the respondents and to identify the problems encountered by the SHG members in managing their IGA.

4. To offer suggestions based on the findings of the study.
1.10 HYPOTHESES

1. There is no significant difference between personal factors and entrepreneurial competency.

2. There is no significant impact of entrepreneurial competency on income generation, material possession and savings.

3. There is no significant difference in the various forms empowerment among the four groups of respondents between pre and post IGA periods.

4. There is no significant difference among the four groups of respondents regarding their attitude towards their IGA.

5. There is no impact of problem perception on the income generation and total empowerment.

1.11 SCOPE OF THE STUDY

The study attempts to analyse SHG members’ involvement in economic activity. The groups which were formed by Tamilnadu Corporation for Development of Women from 1999-2000 to 2008-2009 in Thoothukudi District were selected for the study. The number of groups formed, training provided and the financial assistance provided were studied. Information about the respondents such as their age, educational qualification, occupation, religion, caste, marital status, size of the family, entrepreneurial competency, enterprising involvement and empowerment of SHGs problem of women through business activities were obtained and analysed.

1.12 METHODOLOGY

1.12.1 RESEARCH DESIGN OF THE STUDY

A research design is the overall plan or programme of research. It is the general blue print for the collection, measurement and analysis of data. Since the present study aims at describing the current state of women empowerment, it is analytical in nature. Apart from this, the present study has defined objectives and
framed methodology to fulfill the objectives of the study. This study also describes the relationship among the variables, especially profile of the women entrepreneurs and their empowerment and also the increase in empowerment through their SHG membership. Hence it is related to descriptive research design.

1.12.2 SOURCES OF DATA

The required information was collected both from primary and secondary sources. First hand information has been collected from the selected respondents with the help of interview schedule. In addition, face to face contacts and informal talks with the persons were also used to collect primary data.

The secondary data is related to the working of the SHGs, the NGOs and the SHG members registered in the various blocks in the district this was collected from the records of DRDA, Mahalir Thittam in Thoothukudi district, books, journals, dailies and websites. The details related to the SHGs, the SHG members, their savings, loans, scheme-wise assistance, direct linkage, group credit and block-wise details were collected from the Mahalir Thittam, Thoothukudi.

1.12.3 PERIOD OF THE STUDY

The period of study covers ten years i.e. from 1999-2000 to 2008-2009. During this period, 1012 self help groups availed financial assistance for economic activities under SGSY scheme. 25 percent of the groups i.e. 253, constitute the sample size. The survey was carried out from July 2010 to June 2011 for primary data collection.

1.12.4 SAMPLING PROCEDURE

This study is confined to Thoothukudi district of Tamilnadu state, which comprises 12 blocks with 1012 women SHGs who got assistance for economic activities under SGSY scheme registered with Tamilnadu Corporation for Women
Development under the guidance of NGOs. In order to evaluate the empowerment level among SHG members and to examine the impact of the entrepreneurial competency and the involvement, income generated through enterprise activity, 25 percent of women SHGs were randomly selected from the list (i.e. 1999 – 2000 to 2008 – 2009). This was obtained from Mahaliar Thittam, Thoothukudi.

The sample of the study was arbitrarily determined as two members from each group, i.e. the leader of each group and the member who most actively participated in enterprising activities were selected. The total number of the sample size constituted 506 member respondents. The total sample respondents were grouped into four on the basis of duration of membership in SHGs, 2 years (Group I), 2 – 4 years (Group II), 4 – 6 years (Group III) and above 6 years (Group IV).

**Table 1.1**

**Distribution of Sample Respondents**

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of the Block</th>
<th>Total no of Groups Assisted</th>
<th>Sample SHGs</th>
<th>Sample Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thoothukudi</td>
<td>106</td>
<td>27</td>
<td>54</td>
</tr>
<tr>
<td>2</td>
<td>Karungulam</td>
<td>64</td>
<td>16</td>
<td>32</td>
</tr>
<tr>
<td>3</td>
<td>Srivaikuntam</td>
<td>63</td>
<td>16</td>
<td>32</td>
</tr>
<tr>
<td>4</td>
<td>Alwarthirunagari</td>
<td>75</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td>5</td>
<td>Thiruchendur</td>
<td>48</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>6</td>
<td>Udangudi</td>
<td>102</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>7</td>
<td>Sathankulam</td>
<td>79</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>8</td>
<td>Kovilpatti</td>
<td>33</td>
<td>08</td>
<td>16</td>
</tr>
<tr>
<td>9</td>
<td>Kayathar</td>
<td>67</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>10</td>
<td>Ottapidaram</td>
<td>157</td>
<td>39</td>
<td>78</td>
</tr>
<tr>
<td>11</td>
<td>Villathikulam</td>
<td>136</td>
<td>34</td>
<td>68</td>
</tr>
<tr>
<td>12</td>
<td>Pudur</td>
<td>82</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>1012</td>
<td>253</td>
<td>506</td>
</tr>
</tbody>
</table>

Source: compile
1.12.5 CONSTRUCTION OF INTERVIEW SCHEDULE

Since the present study is mainly based on primary data, an interview schedule was prepared which consisted of four important parts. The first part covers the profile of the SHG members which includes all the socio, economic, psychological profiles of the members and their enterprise experience. The second part of the interview schedule includes members’ involvement in SHGs activities, entrepreneurial competencies and enterprises involvement. The third part of the schedule consists of various forms of empowerment among the members related to leadership, decision-making, personality, economic, social, managerial and political and legal empowerment. The final past of the schedule covers the overall attitude towards income generating activity and the problems faced by the members in managing their enterprises. The relevant variables are drawn from the review, views, experts and views of NGOs. A pre-test was conducted among the leaders of the SHGs to test the validity of the variables in each concept generated in the study. Since the variables in all the empowerment forms satisfy the validity (Cronbach alpha are greater than 0.60), the selected variables have included for the present study. Certain additions, deletions and modifications were carried out based on the feedback from the pre-test. The final draft of the schedule was then prepared for the data collection.

Intensive field work was carried out for a period of 9 months.

1.13 TOOLS USED FOR ANALYSIS

Data were processed systematically by applying the relevant methods of classification, tabulations and analysis. Appropriate statistical tools were employed in analyzing the data as follows. They are:
1.13.1. ‘t’ Test

The t Test has been applied to find out the significant difference in the mean value of various aspects at the pre and the post IGA periods of the SHGs.

The t-statistic is given as

\[ t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(n_1 - 1)\sigma_1^2}{n_1} \times \frac{1}{n_1} + \frac{(n_2 - 1)\sigma_2^2}{n_2} \times \frac{1}{n_2}}} \]

Degree of freedom of \((n_1 + n_2 - 2)\)

Whereas \(\bar{x}_1\) = Mean of the first sample

\(\bar{x}_2\) = Mean of the second sample

\(\sigma_1^2\) = Variance in the first sample

\(\sigma_2^2\) = Variance in the second sample

\(n_1\) = Number of samples in the first group

\(n_2\) = Number of samples in the Second group

1.13.2. One-way Analysis of Variance

The One way Analysis of Variance has been used to find out the association between the profile of the SHG members and their empowerment. The F ratio is in the form of

\[ F \text{ ratio} = \frac{\text{Variance between groups}}{\text{Variance within groups}} \]

The one-way analysis of variance has been also used to find out the significant differences among the four groups of the SHG members regarding the various factors related to the different forms of empowerment.
1.13.3. Factor Analysis

The factor analysis is one of the important multivariate analysis has been used to narrate the variables into factors. In the present study, the factor analysis has been used to narrate the variables related to the various forms of empowerment.

1.13.4. Confirmatory Factor Analysis (CFA)

The CFA is one of the multivariate statistical tools which is applied to confirm the extracted variables in the factor by the exploratory factor analysis. It explains the factors reliability (Segars and Grover, 1993)\(^8\). It is mentioned by the reliability and validity of variables in each construct developed in the present study (Fornell and Larcker, 1981)\(^9\). The content validity, convergent validity and discriminant validity have been tested through CFA (Li et al., 2007)\(^10\). In the present study, the CFA have been used to test the reliability and validity of variables in each construct developed.

1.13.5. Multiple Regression Analysis

The multiple regression analysis has been exercised to examine the influence of perception of the various factors related to the IGA on their overall attitude towards the IGA. The impact of problem perception on the income generation and on total empowerment was also analysed with the help of regression analysis. The Ordinary Least Square (OLS) procedure has been followed to establish the function. The estimated function is:

\[
Y = a + b_1X_1 + b_2X_2 + \ldots + b_nX_n + e
\]

Whereas

- \(Y\) = Dependent variable
- \(X_1, \ldots, X_n\) = Independent variables
- \(b_1, \ldots, b_n\) = Regression coefficients of independent variables
- \(a\) = Intercept and
- \(e\) = Error term
1.14 LIMITATIONS OF THE STUDY

Like any other research study, the present study has some limitations as outlined below:

The present study intends to highlight the various issues with micro level data, but it has not been possible to explore all the issues. Due to financial and time constraints, all the members of all the SHGs were not taken up for study.

Considering the large population, some groups were excluded. This was due to limitations like non-availability of personnel for verification of groups in remote villages, insufficient transport facilities and discontinued groups.

The study considered the views of only two members from the selected groups because they were the most important members of the group.

Since the area selected for study is limited to a few villages of Thoothukudi district, the results may be applicable only to the members of the SHG of those villages and cannot be generalized.

1.15 SCHEME OF REPORTING

The present research report consists of the following seven chapters: The **first chapter** is the introduction and explains the design of the study.

The **second chapter** provides the basic concepts and the review of previous studies.

The **third chapter** traces the historical development of Self Help Groups. It includes explanations with regard to the registered members of the SHGs. This chapter also explains the functioning of SHGs in the rural areas, town panchayats and various blocks in the district of Thoothukudi.

The **fourth chapter** deals with the socioeconomic profile of the respondents and their entrepreneurial competencies and their involvement in their organizations.
The fifth chapter deals with the empowerment gained by women in terms of leadership, decision making, personality, economic, social, managerial, political and legal developments in the pre and post income generating activity periods. Further, the association between the profile of the respondents and their empowerment are also discussed.

The sixth chapter discusses the empirical evidences of the members’ attitude and problems faced by the members in their income generating activities.

The seventh chapter being the concluding chapter is devoted to the summaries of the major findings of the study. Wherever possible, suggestions have been offered for solution of the problems faced by the Self Help Groups. The scope for further study ends this chapter.
REFERENCES


7. www.census2011.co.in

