CHAPTER I

INTRODUCTION

The development of an economy depends to a great extent upon highly motivated people, rightly termed as entrepreneurs who are willing to take risks for achieving tangible goals. The high rate of growth and success of entrepreneurs in developed economies are illustrative of this. A glimpse into the history of India shows that Indian enterprise and entrepreneurial zeal were curtailed by the colonial British empire. The near destruction of the Indian handicrafts and village industries during the British rule pushed back the wheels of progress.

1.1 INTRODUCTION

An ‘entrepreneur’ is an effective catalyst in the economic development of a country. J.A. Schumpeter maintained that an economy did not grow ‘naturally’ or ‘inevitably’ or ‘even steadily’ but rather was pushed forward in sudden leaps by the activities of key men who wanted to promote new goods and methods of production or to exploit new sources of material or new market. The motivation was not merely profit, but also the desire to found a private dynasty, the will to conquer in a competitive battle and the joy of creating. Moreover the economic development of the country to a large extent is influenced by human values and motives to exploit opportunities, to take the advantage of favourable trade conditions, apart from
external forces. Hence, entrepreneur and his undoubted relationship with economic
growth and activity cannot be questioned.

‘Entrepreneurship’ has been considered equivalent to ‘enterprise’ and
numerous specialists from different disciplines have studied the concept and come
out with their own definitions. The definitions can be categorised into two groups.
While one group underlines the role and characteristics of an entrepreneur, the other
divides entrepreneurs into different classifications.

The essence of the former definition is that an entrepreneur is one who
innovates, takes risks and brings together various factors of production and organises
them for productive activity. The latter classifies entrepreneurs into various groups
such as technocrat entrepreneurs, entrepreneurs by inheritance, forced entrepreneurs
and small entrepreneurs.

In the present study, the ‘entrepreneur’ is defined as a person who is carrying
on business under any circumstances in the small scale sector.

The role of an entrepreneur is to produce an environment which is conductive
to the optimum utilisation of environment of their resources be it money, manpower
or material.
In a fast moving world, no firm – small or large - can survive if it is not alert and responsive to technological changes. Hence, speedy and faster economic development is possible only with the help of dynamic and alert entrepreneurs.

In India, small business firms produce two and half times as many innovations as large firms, relative to the number of persons employed. Since World War II, small business firms have been responsible for developing more than half of the new products and service innovations.

In a country like India, public and private entrepreneurship exist side by side. The small scale industrial sector and business are in the purview of private entrepreneurs. Hence, the need to promote entrepreneurship in the medium scale and small scale industrial sectors becomes essential to accelerate the rate of development.

The need for broad based entrepreneurial class in India arises from the need to speed up the process of activating the factors of production leading to a higher rate of economic growth, dispersal of economic activities, development of backward and tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society, and involvement of all sections of the society in the process of growth.
Only if a conductive environment is created, there is a possibility for new persons to venture into business. The entrepreneur works as a catalyst opening up new vistas, creating wealth, fostering development in other sectors of the economy. 

1.2 WOMEN AND ENTREPRENEURSHIP

Commercialization and modernization of the economy gradually eliminated many of the avenues of employment to women in agriculture and industries and thus enabled them to find ways of supplementing their family income. As a result of this, a section of urban women have emerged as potential entrepreneurs. This development is of significant importance in our orthodox society. It is since the last one decade that the women have started emerging on the business scene and some have achieved remarkable success too. Although, their task had been full of challenges, yet they steered the prejudices, family opposition, sneering and cynical remarks of co-workers and ultimately established themselves as independent entrepreneurs.

With the spread of education and new awareness, women entrepreneurs are spreading their wings to higher levels of the 3-E’s (engineering, electronics and energy). A comprehensive study of business women in the capital and its outskirts

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showed that 40 per cent of the entrepreneurs are non-technical as far as their own qualification goes. Businesses such as electronics, engineering, chemicals and auto parts are their area of concentration.

Entrepreneurship plays a critical role in the growth of any country which has abundant natural and human resources. Besides, being the vehicle of industrial development, concentration of wealth in a few selected hands causes imbalanced regional development, increasing wastage of youth and vigour in destructive activities. Entrepreneurship and other high level human skills are key variables which link the socio-cultural milieu with the rate of economic development. Recently, some economists have shifted the emphasis from the growth of capital to the growth of high level man power such as entrepreneurship as a major determinant of the rate of economic growth of a country.

The growth of women entrepreneurship would be supplementary and complementary for women in particular and the country in general. On the one hand, their enthusiasm and skill in constructive performance is met and simultaneously, they can earn enough for proper maintenance and improvement of their socio-economic status. On the other side, this workforce in production process will enrich the national economy by way of ensuring optimum utilization of human and material resources for adequate employment opportunities. This calls for promoting a congenial environment for fostering entrepreneurship among women.
In India, the entrepreneurial world is men's world predominantly. But recently, there is a change in the trend. Recent emphasis is on the idea that women can also contribute towards the economy of the nation. It demands the policy makers, planners and administrators to devise ways and means of promoting entrepreneurship among women. Indian women proved that they are second to none in proficiency of doing any work earlier meant for men. They are efficient in effective enterprises under all circumstances.

Indian women have travelled with the times for centuries and have proved to the world that the hand that rocks the cradle can rule the world.²

Women have some desirable qualities relevant to entrepreneurship such as their ability to manage details, dedication to the work they take up, tolerance and kindness towards people. It is a misconception that women cannot be good managers. In fact, the complete manager in Indian society is the mother, as she plans, budgets, executes and shows results in the day-to-day life.

The Harward School experts are also of the opinion that the basic quality of an efficient management is a futuristic outlook and the capacity to nurture and plan for the future. This comes naturally to a woman. With her patience, human kindness

and gentleness she has generally understand other side of the world a keen sense of justice and fairness.³

The old metaphor, “the man for the plough, the women for the hearth” has lost its relevance in the present day society.⁴

Traditionally, women’s occupational status has always been closely associated with the home and the family. She has only a secondary status because she is economically dependent on her father or husband.⁵

In both the industrially advanced and less developed countries women are bounded with cumulative inequalities as a result of socio-cultural and economically discriminating practices.⁶

In a fast developing country like India, the forces of commercialization, modernization and industrialization are active in modern capitalistic enterprises.


Women are the most preponderant segment at home and in the society at large. It is necessary to achieve economic independence for women.

Jawaharlal Nehru, the former Prime Minister of India, observed that the economic freedom of women and it is quoted by Azad Gulab Singh, freedom depends on economic condition even more than political. If a woman is not economically free without self-employment and self-earning, she will have to depend on her husband or some one else and dependents are never free”.

For a woman, an opportunity to productive work is not merely a means to higher income but it is a means to self respect, to the development of her personality and to a sense of participation in the common purpose of the society. The low status of women in large segments of Indian society cannot be raised without the opening up of opportunity of independent employment and income further.

Economic independence makes women conscious of their rights. Working outside the home and coming into contact with other people have broadened their outlook and mental horizon.8

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Woman entrepreneurs are recent phenomenon. Women in earlier times were involved in self-employment mostly making products like pickles, papads, handicrafts. Self-employment is different from entrepreneurship in the sense that enterprise provides employment for self as well as others and thereby helps in reducing unemployment.

However, financial pressures have motivated women to enter the competitive world of business and industry. They have ventured into non-traditional areas such as electronics, engineering, consultancy, chemicals, electrical accessories along with the traditional business of garments, food, leather, interior decoration and handicrafts.

The entrepreneurship ventures involve facing a lot of hurdles such as mobilising funds, getting loans, training in accounts and industrial relations and managerial skills and acquiring competence.

Apart from a few exceptions, the entrepreneurial scene of Indian women is still at the level of small or medium-scale industry. However, they have emerged from traditional products to more modern and manufacturing products.

Need for Women Entrepreneurship Development Programmes

In India, entrepreneurship and self-employment are often used synonymously without losing sight of the fact that all entrepreneurs are self-employed persons.
may not necessarily be entrepreneurs. The proportion of educated and skilled won in total unemployment is increasing. Hence, expanding employment opportuniti both to provide income and harness the growth potential of educated unemploy women is very important.

The promotion of self-employment of educated women has the addition advantage of creating more jobs for aspiring uneducated women. Self-training equip women for specific jobs is relatively a new concept in order to acceler formation of indigenous women enterprises, imaginative development programm and policies backed up by sound institutional support are needed. A package assistance covering product selection, innovation, competency development, mar information, project information and training in management is required. T success of a programme for promotion of women entrepreneurs depends to a lat extent on the solid foundations that are laid through preparation of realistic and br action programmes and providing necessary organizational framework.9

Women’s Participation in Economic Development and Entrepreneur Development

There is widespread belief that economic strength is the basis of soci political and psychological power in society. Thus women’s low status is seen stem from their low economic status and consequent dependence and lack of decisi

making power. And if women gain economic strength they gain both visibility and voice in homes, workplace and community.

In developing countries, women hold 8 per cent of the administrative and managerial positions compared to 24 per cent in developed world. Agriculture employs about 70 per cent of the working population of the country and almost 57 per cent of all economically active women. Women have been entrepreneurs within the four walls where they were innovative in terms of budgeting the limited income resources and used the waste material for making some useful products. With changing role that women accepted over the past decade the role of entrepreneurs amongst women has gained considerable importance.

The Motivation Behind Entrepreneurship

Self-employment has also not been a long-term goal for women. Mostly happened accidentally depending on the situation, women especially in the country where they are last changing their role, needed a little pull and push, as at times they are not aware of their own strengths and resources and wanted their husband/family members to decide the way it should be utilized.10

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Till recently, a woman was considered unfit for roles other than that of housewife, nurse, primary school teacher, sales girl, telephone operator, stenographer and receptionist. The image of women in society is fast changing. But it is difficult to define or describe clearly the changing shape of the image. One thing is clear that women are entering the labour force, in a large number.

For many women, work is regarded as an unfortunate economic necessity or that it is seen as very much a secondary activity to the main business of running a home and looking after children.

3 DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA

Most people are familiar with the word ‘entrepreneur’. But if asked to define the probability is that there would be as many definitions as the people to define. The term ‘entrepreneur’ is of French origin, and its dictionary meaning is a person who organises and manages a business undertaking, assuming that risk for the sake of profit.


The term 'Women Entrepreneurship' was first used by Mehan. An enterprise owned and administered by a woman entrepreneur having a minimum financial interest of 51 per cent of the share capital and giving at least 50 per cent of the employment generated in the enterprise to women will now be considered as an enterprise run by women.

“A woman entrepreneur is a person who is an enterprising individual with an eye for opportunities and an uncanny vision, commercial acumen with tremendous work to take risk with the unknown, because of the adventurous spirit she possesses.

In India, there are 99.4 million women workers in a labour force of 272.84 million according to 2001 Census.

\[13 \text{News Item in the } Indian Express, \text{ Madurai, December 15, 1987.}
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\[14 \text{S. Srilatha, } Evaluation of Entrepreneurship Development Programme for Women – A Study, \text{ Unpublished Project Work, Department of Management Studies, Madurai Kamaraj University, Madurai, 1987, p. 6.}
\]

\[15 \text{Medha Dubhashi Vinze, op.cit., pp. 82-83.}
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\[16 \text{Ibid., p. 98.}
\]
Though women constitute almost half of the world population, out of the total workforce, the percentage of women in the work force in Russia is 41.5 per cent, West Germany 33.2 per cent; Japan 39.1 per cent; USA 24.6 per cent and India 12.4 per cent.

According to 2001 Census, there are 1,50,000 women entrepreneurs in India a meagre 5.2 percentage of the total number of entrepreneurs. Presently, the entrepreneurship development in India is very much needed. For entrepreneurship in India in the past was confined mostly to functionally designated communities and regions. This trend has been reserved and at present individuals down from all communities and regions have turned entrepreneurs.¹⁷

Having realised the importance of the role that could be played by women in the nation’s development, in the Sixth Five Year Plan, a special chapter on Women’s Development had been included.

The New Industrial Policy of the Government of India has specially highlighted the need for conducting special entrepreneurship programmes for women

to orient them in the nature of product/process oriented courses. These courses will enable women to start small scale industrial units.¹⁸

One of the objectives of the Seventh Five Year Plan has been to raise women’s economic and social status and bring them into the mainstream of national development. The basic approach for development was to bring about confidence and awareness of women’s potentials for development.¹⁹

Unemployment is probably the greatest factor in breeding social unrest. Self employment is becoming increasingly significant in India owing to the growing unemployment problem. The myth about entrepreneurs being born has been exploded by successful efforts over the past two decades in creating new entrepreneur through development programmes.²⁰

Some state governments in India have taken steps to develop women entrepreneurship. A women entrepreneur cell has been set up in the Directorate of Industries, Delhi Administration to provide number of incentives and reservation for women entrepreneurs in allotment of land and sheds. “The Andhra Pradesh Women


Co-operative Finance Corporation was established in Andhra for the development of women entrepreneurship.\(^{21}\) The Government of Tamil Nadu has established Tamil Nadu Corporation for the Development of Women, which also aims at improving the women entrepreneurship. Gujarat has women entrepreneurs schemes being operated by the Gujarat Financial Corporation to provide loan for setting up the unit at the rate of 12.5 per cent interest.

A special wing to develop non-traditional women entrepreneurs was started in 1980 in Ahmedabad for training and developing a distinct class of women entrepreneurs, who can establish sizeable industrial units. Haryana offers a package of incentives which can also be availed by women entrepreneurs. These include exemption from payment of stamp duty and registration exemption from electricity duty upto a certain period. Karnataka has formulated special assistance programme for women entrepreneurs to provide managerial grant and various subsidies. Punjab has interest subsidy scheme for women entrepreneurs under which subsidy is given to the units of women entrepreneurs in decentralised assistance to skilled and trained women entrepreneurs under the scheme for women entrepreneurs.

The first National Conference of Women Entrepreneurs (NCWE) held in New Delhi 1981 called for priority to women in the allotment of land, sheds, sanction of

power, and industrial licensing. This conference also recommended the counselling services, the simplification of loan procedures, centralised marketing agency and special training programmes for women entrepreneurs.

The Second International Conference of Women Entrepreneurs organised by the National Wing Alliance of Young Entrepreneurs (NAYE) was held in 1989 in New Delhi, with a view to promote women’s involvement in special and economic development programmes and to provide necessary infrastructural support, training and marketing facilities.

The Third International Conference of Women Entrepreneurs organised by the Women’s wing of the National Wing Alliance of Young Entrepreneurs in collaboration with Association of the lady entrepreneurs was held in 1993 in Hyderabad with a view to promote challenges and opportunities for women entrepreneurs in the context of changing economic scenario.

1.4 WOMEN ENTREPRENEURSHIP DEVELOPMENT IN TAMIL NADU

In Tamil Nadu, enterprising and hard working women, who are employed are encouraged to set up agro-based industries in their villages. The State Government is giving more importance for the development of women entrepreneurship. Female population is increasing every year. In the year 1971, female population in Tamil Nadu was 20,371 thousands and female literacy level was 26.9 per cent. There is a
steady increase in the number of educated women, registered with the employment exchanges in Tamil Nadu. The concept of self employment arises in the context of finding solutions to the problems of unemployment.

Table 1.1 shows the district-wise distribution of registered small scale units owned by women entrepreneurs as on 31.3.1993 below:
### TABLE 1.1

**DISTRICT-WISE DISTRIBUTION OF WOMEN ENTREPRENEURS IN TAMIL NADU**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the District</th>
<th>Number of Women Entrepreneur</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chennai</td>
<td>1176</td>
<td>18.13</td>
</tr>
<tr>
<td>2</td>
<td>Chengalpat</td>
<td>246</td>
<td>3.84</td>
</tr>
<tr>
<td>3</td>
<td>North Arcot</td>
<td>285</td>
<td>4.39</td>
</tr>
<tr>
<td>4</td>
<td>South Arcot</td>
<td>260</td>
<td>4.01</td>
</tr>
<tr>
<td>5</td>
<td>Trichy</td>
<td>176</td>
<td>2.71</td>
</tr>
<tr>
<td>6</td>
<td>Thanjavur</td>
<td>405</td>
<td>6.24</td>
</tr>
<tr>
<td>7</td>
<td>Pudukkottai</td>
<td>224</td>
<td>3.45</td>
</tr>
<tr>
<td>8</td>
<td>Ramathapuram</td>
<td>57</td>
<td>0.88</td>
</tr>
<tr>
<td>9</td>
<td>Sivagangai</td>
<td>59</td>
<td>0.91</td>
</tr>
<tr>
<td>10</td>
<td>Virudhunagar</td>
<td>371</td>
<td>5.72</td>
</tr>
<tr>
<td>11</td>
<td>Madurai</td>
<td>294</td>
<td>4.53</td>
</tr>
<tr>
<td>12</td>
<td>Dindigul</td>
<td>146</td>
<td>2.25</td>
</tr>
<tr>
<td>13</td>
<td>Tirunelveli</td>
<td>60</td>
<td>0.92</td>
</tr>
<tr>
<td>14</td>
<td>Thoothukudi</td>
<td>72</td>
<td>1.11</td>
</tr>
<tr>
<td>15</td>
<td>Kanyamumari</td>
<td>57</td>
<td>0.88</td>
</tr>
<tr>
<td>16</td>
<td>Coimbatore</td>
<td>1862</td>
<td>28.70</td>
</tr>
<tr>
<td>17</td>
<td>Nilgiris</td>
<td>94</td>
<td>1.45</td>
</tr>
<tr>
<td>18</td>
<td>Salem</td>
<td>181</td>
<td>2.79</td>
</tr>
<tr>
<td>19</td>
<td>Dharmapuri</td>
<td>245</td>
<td>3.78</td>
</tr>
<tr>
<td>20</td>
<td>Periyar</td>
<td>215</td>
<td>3.31</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>6488</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

The above table reveals that Coimbatore district has the maximum number of women entrepreneurs when compared to other districts in Tamil nadu.

In Tamil Nadu, the agencies who have committed themselves to women entrepreneurship development by conducting some entrepreneurship development programmes exclusively for women are the Small Industries Service Institute, Chennai, The Industrial and Technical Consultancy Organisations of Tamil Nadu Limited and the Tamil Nadu Industrial Investment Corporation Ltd.

1.5 STATEMENT OF THE PROBLEM

Human resources, both men and women, of working age constitute the main strength of economic development of a nation. Women form an important segment of the labour force and the economic role played by them cannot be isolated from the framework of development of the role and the degree of integration of women in economic development is always an indicator of women's economic independence and social status. The government is, therefore, making planned efforts to inculcate the spirit of enterprise among women through many incentives and developmental programmes. These efforts are expected to spin good results with many more women taking to entrepreneurship.
Some recent researches indicate that several women are becoming entrepreneurs, especially the middle class women due to the pull and push of traditional and changing values. Under the pull-factors, the women entrepreneurs choose a profession as a challenge or as an adventure with an urge to do something new and to have an independent occupation. Under the push-factors women take up business enterprises to get over financial difficulties when responsibility is thrust on them due to family circumstances. As such, women both in the rural and urban sectors and specially belonging to the middle classes are turning towards entrepreneurship to fulfil their aspirations both economically and socially.

Entrepreneurship itself is recently being recognised as a full-fledged profession and women entrepreneurship is an even newer phenomenon. Many research studies had been done on entrepreneurship, but very little has been done on women as entrepreneurs. A lot of data is available on entrepreneurial characteristics and motivations of men but very little data is available regarding women entrepreneurs. How far the same motivational theories and the socio-economic factors applicable to women are valid is to be explored.

Women entrepreneurship in Tirunelveli district is of recent origin. Though traditional activities like sale of vegetables and fruits have been taken up by the adjoining rural women since long, entrepreneurship on modern lines has been found in industry, trade and service concerns from only one decade or so.
6. To suggest a framework for the promotion of women entrepreneurship in Tirunelveli district.

1.7 HYPOTHESES

The study aims at testing the following hypotheses in line with the objectives mentioned above.

1. Age, literacy, marital status, caste/community, number of dependents and type of family of the women entrepreneurs do not motivate to start enterprise.

2. Experience of the women entrepreneurs does not influence the women entrepreneurs' motivation to start the enterprise.

3. Technical knowledge of women entrepreneurs does not influence the motivation of women entrepreneurs to start the enterprise, and

4. Type of business/enterprise does not influence the women entrepreneurs to start the enterprise.

1.8 A FEW CONSTRAINTS

This study is a modest beginning on women entrepreneurship in Tirunelveli district. No census list of women entrepreneurs is available. Only registered women entrepreneurs in District Industries Centre have been obtained. The researcher
personally and individually contacted the women entrepreneurs. It was a herculean task to make them willing to answer the questions in the schedule. The women entrepreneurs expressed unwillingness to answer several questions. However, with great difficulty the responses could be obtained. The researcher feels that the study is an exhaustive one covering various facets of women entrepreneurs in Tirunelveli district. It is a fact that there is scope for further research in the area with more emphasis on each aspect of women entrepreneurship in the very same study area.

1.9 CHAPTER SCHEME

This study “A Study of Women Entrepreneurs in Tirunelveli District of Tamil Nadu” is divided into seven chapters.

Chapter I introduces the subject, meaning and definition of entrepreneurship, women and entrepreneurship, women entrepreneurship development in India and Tamil Nadu, statement of the problem, objectives, hypotheses, limitations and scheme of the work.

Chapter II reviews the related literature on women entrepreneurs. Further, it describes the methodology which includes the sampling design, period of study, collection of data and tools of analysis.
Chapter III sketches out the profile of the women run units, in terms of location, form, line, age and size of enterprises. Further, it presents the socio-economic backgrounds of women entrepreneurs.

Chapter IV deals with the motivational and facilitating factors and how these influence the choice of line and location.

Chapter V highlights the strength, weakness, opportunities and threats (SWOT) faced by the entrepreneurs.

Chapter VI evaluates the performance of women entrepreneurs in different functional areas like production, personal, finance and marketing. It also deals with the problems faced by the women entrepreneurs.

Chapter VII summarises the findings of the study along with conclusion and some policy implications and suggestions for the development of women entrepreneurs.