CHAPTER II

SOCIO - ECONOMIC STRUCTURE IN THE CONTEXT OF WOMEN ENTREPRENEURSHIP DEVELOPMENT
CHAPTER II

Socio - Economic Structure

In the Context of Women Entrepreneurship Development

Contents

1. General
2. Infrastructure
3. Human resource
4. Natural Resource
5. Industrial Relations
6. Economic Participation
7. Social status of women in Kerala
8. Implications of Economic reforms on Women Entrepreneurs
Chapter II

SOCIO-ECONOMIC STRUCTURE AND IMPACT OF NEW ECONOMIC POLICY IN THE CONTEXT OF WOMEN ENTREPRENEURSHIP DEVELOPMENT

Located in the south-west tip of the subcontinent, Kerala is a strategic international air, sea, and telecommunications gateway. The State has maintained a unique status in the country with social development indicators on par with developed countries. With a fair number of middle-income group and earnings of Non Resident Indians, the State has become one of the largest consumer markets in the country. The State has also gained international attention as a major tourist destination. The state is known as 'the gods own land' in the world tourist map.

The state possesses several unique economic features. The backwardness in the industrial sector is the most notable. A set of reasons has contributed to the low level of industrialisation in the State. Non-availability of land for large-scale industrial undertakings, low Central sector investment in basic industries, near absence of energy, short supply of conventional raw materials fragile ecological conditions, and lack of active entrepreneurship are attributed as the main reasons. However, the State possesses some positive potentialities for promotion of economic activities. The following paragraphs analyse the socio-economic profile of the state in the context of women entrepreneurial development.
A. INFRASTRUCTURE

1. Transport

An excellent network of roads and rail transport constitutes major infrastructure for development. Kerala has a fairly good transport system. The road network in Kerala is quite satisfactory in respect of length as compared to the neighbouring States. Total Railway route length of Kerala for 98-99 stood at 1198 kms. The rivers and backwaters in the State provide a good system of water routes. There are three airports in the State at Thiruvananthapuram, Kochi (Nedumbassery, and Kozhikode. Kochi port is one among the 16 major ports of the country. It is considered as the all weather international seaport. Besides the major port at Kochi there are three intermediate ports and ten minor ports in the State. Hence, the Transport facilities are found sufficient to support the movement of men and materials to any part of the State.

2. Communication

The State has an excellent communication system. The total number of Telephone exchanges in Kerala is 850 and all of them are connected to the STD/ISD network. There were 56 telephone connections per sq.km in the State as on March 31st 2000. The Panchayaths in the State are being linked by a network of computers and provide Internet facilities as a part of the IT policy of the State.
3. Supply of Human Resource

Kerala has achieved substantial progress in Human Resource Development.

As on 31st October 2000 the number of Total work seekers registered with various employment exchanges were 4185871. Out of this 2313523, (55.26 per cent) were women. Table 2.1 exhibits the supply of human resource in the State.

Table – 2.1

Supply of human Resource-

<table>
<thead>
<tr>
<th>Number of professional and technical work seekers in the State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>1990</td>
</tr>
<tr>
<td>1995</td>
</tr>
<tr>
<td>2000*</td>
</tr>
</tbody>
</table>

(Source: Economic review 2000, Kerala planning Board,)*(as on 31-10-2000)

Among the total job seekers 4019811 were with General qualifications and 166060 were with professional and technical qualifications, 9635 were engineering graduates, 43489 Engineering diploma holders and 109408 ITI certificate holders. These figures of educated work seekers show the supply side of human resources in the State.
4. **Power**

Availability of uninterrupted source of power supply at low cost in Kerala was a point of attraction of entrepreneurs in the past. During 70s Kerala had surplus power. But the State experienced power shortage during 80s and 90s. Power cuts, load shedding, restrictions on the use of energy during peak hours etc resulted in many hardships to industrial and commercial units in the State. Table 2.2 displays the demand supply gap of power in the state.

**Table 2.2**

Power Supply and Consumption in Kerala 1990-2000

<table>
<thead>
<tr>
<th>Description</th>
<th>1991</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed capacity (MW)</td>
<td>1477</td>
<td>2391.18</td>
</tr>
<tr>
<td>Power Generation*(MUs)</td>
<td>5494</td>
<td>8901</td>
</tr>
<tr>
<td>Power Requirement (mkwh)</td>
<td>6843</td>
<td></td>
</tr>
<tr>
<td>Power availability</td>
<td>6810</td>
<td>11930</td>
</tr>
<tr>
<td>Shortage %</td>
<td>-0.5</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>1638</td>
<td>2546</td>
</tr>
<tr>
<td>Agricultural</td>
<td>208</td>
<td>290</td>
</tr>
<tr>
<td>Industries</td>
<td>2681</td>
<td>3260</td>
</tr>
<tr>
<td>Commercial</td>
<td>515</td>
<td>858</td>
</tr>
<tr>
<td>Per Capita Consumption kwh</td>
<td>183</td>
<td>237</td>
</tr>
</tbody>
</table>

Source: Compiled from Economic Review various issues,

Note: 1. MW - Mega Watt. MUs Million Units 2. Figures in brackets show Percentages
As shown by the table above, Shortage of power supply in 90-91 was 0.5 Per cent than the estimated requirements, which was rapidly increased, to 14.3 Per cent by 1995-96. Consumption of power by the industrial sector was 53.2 Per cent of the total consumption in 1990-91. It was reached the rock bottom of 37.52 Per cent in 1999-2000. Consumption of power for the commercial purposes reduced from 10.2 Per cent of total consumption to 8.91 Per cent by 1999-2000.

Dependence on Hydroelectric power and the undue delay in commissioning of the projects already taken up for implementation have mainly contributed to the shortage in power (Economic Review planning Board, 2000).

5. **Banking**

The State has a very good banking network. The banking system in the State consists of Development Banks, Commercial banks and Co-operative Banks. In 1999, in Kerala there was one bank for every 9250 persons against the all India average of one bank for every 105000 population. In the State there are 1855 Nationalised banks, 312 Gramin Banks, 1095 Private scheduled banks, and 3949 credit societies. In 1997 they have lent loans to the tune of Rs.10126 crores in addition to the share of Co-operative sector which was 3770 crores. The deposit collected by these banks from the State shows that the savings (when consider the NRI's deposits also) is significant to support the investment needs of the State.

As depicted by the table 2.3, the CD ratio of all the banks have found decreased during the period. This shows that it might not be the result of policy of any particular bank (or banks) but the general decrease in the potential demand for credit in the state might be the reason for diminishing Credit deposit Ratio in the State.
When the total deposits increased from Rs. 6620.08 crores in 19990 to Rs. 38244.94 by 2000 the CD ratio decreased from 62.20 in 19990 to 41.28 by 2000. Though there is a wide network of banks and other financial institutions in the state the decreasing credit deposit ratio indicate low investment of funds mobilised in the state.

B. Human Resource Development

The State possesses sufficiently developed formal education system served by a good network of institutions. The State has achieved near-equality in school enrolment with regard to gender. Girls outnumber boys at the high school level. In 2000 there were 931 Higher Secondary Schools in the State with an intake of 165600 students (58 Per cent girls).
Table 2.4

Distribution of Educational Institutions and intake of students *

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Institution</th>
<th>Nos.</th>
<th>Annual intake of Student</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Boys</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Lower primary</td>
<td>6748</td>
<td>983882</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Upper primary</td>
<td>2966</td>
<td>883589</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>High School</td>
<td>2596</td>
<td>802411</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>H.S.S</td>
<td>931</td>
<td>69552</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>V.H.S.S</td>
<td>374</td>
<td>9327</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>THSS</td>
<td>39</td>
<td>5361</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Polytechnics</td>
<td>54</td>
<td>15062</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Arts &amp; Science</td>
<td>186</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Colleges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pre-Degree</td>
<td></td>
<td>56859</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Degree</td>
<td></td>
<td>51872</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td></td>
<td>3981</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td></td>
<td>112712</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Engineering.</td>
<td>32</td>
<td>177409</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Colleges</td>
<td></td>
<td>290121</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td></td>
<td>290121</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Economic review 2000, State Planning Board, Kerala. *Figures are for 1999-00
As shown by the table 2.4, there were 2.9 lakh students enrolled in 186 Arts & Science colleges out of them 62 Per cent (290121 out of 467530) were girls. Of this 145000 were at the Undergraduate level and 15000 at the Postgraduate level. There were 54 polytechnics in the State with an enrolment of 24769 (9707 girls) students and an annual intake of 9630 students. In 2000 there were 32 Engineering colleges in the State with an annual intake of 8543. (Economic Review 2000)²

B. NATURAL RESOURCES

1. Agriculture Resources

India is predominantly an agricultural country. Kerala is not an exception. Till 1980s agriculture was the main source of state income. Agro-based industries are less pollute the environment and hence more suitable for the fragile ecological conditions of the state.

The state has geographical advantages in the production of Rubber, Coconut, Cardamom, Pepper, and spices, Tea etc and blessed with the existence of thousands of herbals, plants and other forest resources. However, agro-based industries have not been developed in the state.

Table 2.5 blow depicts main agriculture produces in India having industrial and commercial importance. Even though 92 Per cent of the Natural rubber production is from the state only 13.18 Per cent is consumed by industries in the state. This is the case in most of the plantation crops and other agricultural produces. Most of the agricultural produces such as coffee, cashew nuts, spices etc are exported from the state to neighbouring states without processing.
Table 2.5

Production, Productivity and consumption of major Agricultural products in Kerala

<table>
<thead>
<tr>
<th>Item and period</th>
<th>Production</th>
<th>Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kerala</td>
<td>India</td>
</tr>
<tr>
<td>Rice (000’ tonnes)</td>
<td>727</td>
<td>85995</td>
</tr>
<tr>
<td>Coconut million nuts)</td>
<td>5132</td>
<td>14925</td>
</tr>
<tr>
<td>Pepper (000 tonnes)</td>
<td>56.55</td>
<td>59.15</td>
</tr>
<tr>
<td>Cashew (000 tonnes)</td>
<td>51.3</td>
<td>460.0</td>
</tr>
<tr>
<td>Rubber (tonnes)</td>
<td>559099</td>
<td>605045</td>
</tr>
<tr>
<td>Tea (Tonnes)</td>
<td>68373</td>
<td>845158</td>
</tr>
<tr>
<td>Coffee (tonnes)</td>
<td>61150</td>
<td>265000</td>
</tr>
<tr>
<td>Cardamom (tonnes)</td>
<td>6550</td>
<td>9290</td>
</tr>
</tbody>
</table>

2. Mineral Resources

Though the different minerals like Gold ore, Limonite, Bauxite, Magnetite, Quarts and silica, Rutile, Graphite etc. are being available here their commercial exploitation is not significant. Mining of gold ore is found uneconomical and exploitation of many other resources is found not feasible due to ecological reasons.

3. Industrial Land

Availability of industrial land is an essential pre condition for the development of industrial undertakings. Non-availability of sufficient land for large-scale industrial undertaking and fragile ecological conditions are also the reasons contributed for the low level of industrialisation in the large scale sector. Growth Centres, District Mini Industrial estate / co-operative societies, development plots. Development areas and functional industrial estates for rubber and plastic units are the remarkable arrangements made by the state government for accommodating industrial units in the State. However, these facilities are not fully occupied.

D. Industrial Relations

A satisfactory level of labour relation is considered as an essential precondition for better industrial performance. Unfortunately the history of labour relations in Kerala is a history of labour unrest and consequent industrial setbacks. Among 18 states in the country Kerala has been placed 13th for General investment climate and 8th for Labour relations. (Confederation of Indian Industries, Sept 2000)

At the aggregate level total number of new disputes registered was declined to 5272 in 98-99 from 5874 in 1995-96. The number of cases led to strike and lockout also declined from 59 in 1995-96 to 39 in 1998-99. Total man-days lost due to strike and lockout in 1995-96 was
2368478 showed a decline to 1088653 in 1998-99. There is a declining trend in respect of labour disputes lead to strike and lockouts in the State similar to the trend at the national level. Instances of strikes in the State is lower than that experienced in the neighbouring South Indian States of Tamilnadu and Andhra Pradesh (Economic survey, RBI, 2000)

**E. Economic Participation Rate**

Rate of effective economic participation of labour force is considered as an indication of social impact of economic growth. Moreover a high rate of work participation not only shows wide distribution of income but also indicates the role of potential labour in the process of economic growth of the nation.

**Table 2.6**

Work participation (Percentage to Population)

<table>
<thead>
<tr>
<th>Year</th>
<th>Kerala</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1951</td>
<td>71.5</td>
<td>29.5</td>
</tr>
<tr>
<td>1961</td>
<td>65.66</td>
<td>19.7</td>
</tr>
<tr>
<td>1981</td>
<td>44.89</td>
<td>16.61</td>
</tr>
<tr>
<td>1991</td>
<td>47.58</td>
<td>15.85</td>
</tr>
<tr>
<td>2001</td>
<td>50.36</td>
<td>15.27</td>
</tr>
</tbody>
</table>

Source: Census reports 1991 and web page - www.censusindia.net

According to 1991 Census, total main workers in Kerala were 83.01 lakhs out of which 64.04 lakhs males and 18.96 lakhs females.
Exhibit 2

Female Workparticipation Rate Kerala - India 1981-2000

Rate of work participation

Kerala 16.8 15.8 15.3
India 19.7 23.7 25.7

India
Out of the main workers 48.02 Per cent were engaged in the Primary sector and 37.81 Per cent in the Tertiary sector. The Exhibit-1 reveals the declining work participation rate in the state.

As shown by the table the economic work Participation of women has been declined from 29.5 per cent in 1951 to 15.27 by 2000. The declining trend of women work participation is clear from the Exhibit-2. According to the preliminary reports of the Census 2001, 51.93 Per cent of males and 25.66 Per cent of females were workers in India. The Census statistics for Kerala showed that the working population is only 32.32 Per cent of the total population. Out of 318.38 lakhs population 50.36 Per cent (10291258) constituted the work force. When out of the 154.68 lakhs Males 32.32 Per cent (77.90 lakhs) were workers, out of 163.69 lakhs females, the working population was only 15.27 Per cent.

F. Central Sector Investment

The investment of the Central government in the State was nominal and the investment in basic industries was quite insufficient. The deficient investment in the Engineering and Basic Industries is considered as the reason for low growth of industrialisation in the State. The 19 Central sector units in the state include 5 Textiles, 5 petroleum and chemicals, 2 electronics, 4 Engineering, 1 Food products, 1 mineral based, and 1 wood Industry.

As revealed by the table 2.7, the Share of Central sector investment in Kerala was steadily declining from 3.24 Per cent in 1975 to 1.50 Per cent in 1990. The investment in terms of Gross block in the Central Govt. owned companies in the State was Rs. 116 crores, which was 3.06 Per cent of the total central sector investment in the country.
Table 2.7
Central Sector Investment In Kerala

<table>
<thead>
<tr>
<th>Years as on 31st March</th>
<th>Investment Gross Block (Rs.crores)</th>
<th>No of units in Kerala</th>
<th>Percentage of Investment in Kerala</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All India</td>
<td>Kerala</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>3795</td>
<td>116</td>
<td>17</td>
</tr>
<tr>
<td>1980</td>
<td>18161</td>
<td>423</td>
<td>17</td>
</tr>
<tr>
<td>1990</td>
<td>113430</td>
<td>1701</td>
<td>18</td>
</tr>
<tr>
<td>2000</td>
<td>380365</td>
<td>6828</td>
<td>19</td>
</tr>
</tbody>
</table>


But as revealed by the table 2.7 above the central sector investment in the state has been steadily decreased over the years. In 1990 the Central sector investment in the State was Rs. 1701 crores (1.50 Per cent of the total central sector investment in the country.) It was Rs. 2906 crores in 1995, only 1.28 Per cent of the total Central sector investment in the country. There was a marginal increase in central investment in Kerala during 1999-2000.

**Industrial Sickness**

Sickness in the industrial sector results in locking up of resources, wastage of capital assets, loss of production and increasing unemployment. In addition, it affects the circulation of investable bank credit. Growing sickness is one of the persisting problems faced by the industrial sector in the Country.
Table 2.8 shows the magnitude of industrial sickness in the state.

Table 2.8

Magnitude of Industrial sickness in Kerala

<table>
<thead>
<tr>
<th>Sector</th>
<th>No of sick units</th>
<th>Outstanding Bank credit (Rs. In crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non SSI</td>
<td>76</td>
<td>85</td>
</tr>
<tr>
<td>Percentage to total</td>
<td>0.87</td>
<td>0.94</td>
</tr>
<tr>
<td>SSI</td>
<td>8631</td>
<td>8969</td>
</tr>
<tr>
<td>Percentage to total</td>
<td>99.13</td>
<td>99.06</td>
</tr>
<tr>
<td>Total</td>
<td>8707</td>
<td>9054</td>
</tr>
</tbody>
</table>

Source: Compiled from Report on Currency and finance, RBI, different issues 1995-2000

In Kerala industrial sickness is delicate in the SSI sector. In 1985 out of the total 26758 sick units and Rs. 2026 crores outstanding bank credit in the country 2 Per cent of sick SSI units and 4.3 Per cent of total outstanding bank credit was in Kerala. The rate of industrial sickness in the state was at the peak in 1989-90 witnessed for 9.1 Per cent of total sick units in the SSI sector and 5.7 Per cent of total outstanding bank credit. In 1998 out of 221536 sick SSI units in the country 8969 units were in Kerala. Out of the 2476 non-SSI sick and weak units 85 units were in the State.

As revealed by the table 2.8 above in 1995, out of the total sick units SSI units account for 99.13 percent and out of the total amount outstanding it was only 24.33 percent. In 1998 the percentage of sick
SSI units reduced to 99.06 per cent of the total but the share of outstanding bank credit to this sector increased to 27.70 percent.

"Kerala has several positive factors for the development of industrial sector, but industries have largely stayed away, for fear of the State's difficult trade unions, pro-union courts, and high minimum wages, indifferent tax policies. The consequence has been one of India's highest unemployment rates -- as high as 25 Per cent, by some estimates -- and an economy marked by large budget deficits (Akash Kpur 1998)\(^3\).

**People's Planning**

In the beginning of the 1990s the State had a single tiered Panchayats system. The three tier Panchayatiraj system came into existence in the State on October 2nd 1995. In 2000 there were 991 Grama Panchayats, 152 block Panchayats, and 14 Zillah Panchayats. Besides the Grama Panchayats in rural areas there were 53 Municipalities and 5 municipal corporations in the urban areas. There are three Urban Development Authorities for Thiruvananthapuram, Kochi, and Kozhikode. Until the introduction of Panchayatiraj system the local bodies were only the agencies for the implementation of centrally sponsored schemes. They had no effective role in the process of planning. In 1996-97 Rs. 212 crores was provided in the budget as untied plan grants to the local bodies. This was in addition to the share of sponsored schemes of Central and State governments. Total share of local governments in the State' plan in 2000-2001 was Rs.1269.21 crores.

The productive sector investment in 1997-98 was 33.93 Per cent of the total outlay. It was 38.4 per cent and 28.31 Per cent in 1998-99 and 1999-2000 respectively. Investment in the productive sector found decreasing over the period. Industry did not receive the
due attention. In 1997-98 only 4.8 Per. cent of the total outlay was invested in industrial sector.

The development of industrial clusters and infrastructure appeared to have been neglected under Local Plans. In short, the Panchayatiraj system did not make any significant contribution for the development of entrepreneurship among women in the state.

SOCIAL STATUS OF WOMEN IN KERALA

The socio economic status of women in Kerala related to that of men reveals that: the position of feminine folk in the State is much advanced than that in other states of the country. The 2001 census reveals that the sex ratio generally adverse to women in India the number of females per thousand males declined over the years. But in Kerala the sex ratio is favourable to women. In Kerala, there are 1040 women for every thousand men against the all India figure of 927. In literacy and educational standards of women also Kerala retained its position by being on the top in the country with 87.56 Per cent. Compared to other states in the country, a high level of literacy and educational standards is a unique and favourable feature of women in Kerala. This high rate of literacy of women of Kerala has contributed to their longevity and health. Kerala women have entered into almost all spheres of activities, be it in science, art, environment, or politics, at the national and international levels. The Position of women in Kerala has the following major features:

- Kerala is the only state which has higher female population in the country (1040 females for 1000 males)
- The average female literacy rate in the country is 35 Per cent (in 1991). Karla has the highest female literacy of 87.86 Per cent in the country.
- Decadal (1991-2000) Female growth in the state was 10.54 against the male growth rate of 8.26 Per cent.
- The average national wage difference among gender in the agricultural sector is 18 Per cent. Where as that is only 6 -8 Per cent in Kerala.
- In the non-Agricultural sector the average wage difference is 24.6 Per cent. In Kerala, it is only 15 Per cent.
- The female work participation rate is 15.27 in Kerala against 25.66 Per cent in India.
- The contribution of women to the family income is 23 Per cent.
- The average life expectancy at birth for male and female both are equal-76 years each so the health status of male and female is at par.

The Kerala model / experience of development have been much discussed in national and international forums. "Though in terms of economic development Kerala has been placed far below at the national level, in terms of Gender Development Indices the state has been placed in the 4th rank". (J.L.Bharadwaj and Seema Baradwaj 1998).

Since the 1970s, our policy makers and planners become aware about the significance of women's productive activities and the need for their contribution for economic development. Now it has been firmly recognised that gender equality and economic development should go hand in hand. The Kerala State Women's Development Corporation, a unique institution for the development of women in Kerala, has drawn up a long term plan to generate employment opportunities for the unemployed women, especially the women from rural areas. In coping with rural poverty and employment the
Exhibit 3

Rate of Women Unemployment in Kerala

![Graph showing the rate of women unemployment in Kerala from 1951 to 2001. The graph indicates an increase in unemployment rates over time.](image-url)
Governments, both at the centre and state have organised a range of developmental programmes. The rest of the world praised Kerala for the social development attained by it during 80s and 90s. Its industrial and economic backwardness was justified by pointing out the social development it achieved in terms of Human Development Index. A series of scholarly enquiries initiated from the mid 1980s questioning Kerala’s deficient economic and industrial development are increasingly exposing the failing of the Kerala Model social development. (K.T. Rammohan, EPW, April 8 2000)\(^5\)

Unemployment among educated women is a crucial problem in the state of Kerala. Since, the growth of employment opportunities in the primary and secondary sectors is insignificant, the service sector is the major source of employment in the state. However, the development of service sector in the state is confined to education, health, and such limited areas. Therefore, chances for getting employment in the service sector are limited even to the well educated. The educated young women have to seek self-employment for a living. The increasing trend of unemployment among women is shown in the Exhibit -3. In 1961, 80.3 percent of the Potential women work force was unemployed. This was increased to 83.4 per cent in 1981, 84.2 percent in 1991 and 84.7 percent by 2001.

**Implication of New Economic Policy On Women Entrepreneurs**

The Economic reforms of 1990 announced in 1991 had the following main ingredients

- The opening up of more sectors to private investments. Most of the areas reserved exclusively for public sector were made open for private investment.
- The encouragement of Foreign Direct Investment (FDI) with majority equity. Portfolio investment was also allowed.

- The delicensing of most industries to encourage competition. (A few sectors, including defense related and industries reserved for the small-scale sector are being phased out.)

- The devaluation of rupee by 22 Per cent in two installments in July 1991, followed by the introduction of market -determined exchange rate in March 1993 and Current Account convertibility in August 1994. In July 1995 it was decided that all official foreign debt service payments would be channelled the inter bank market. The rupee is not yet fully convertible on the capital account.

- Trade policy had been liberalized with conversion of some important quotas to tariffs and phased reductions in tariff rates and removal of Quantitative Restrictions.

- The capital market had been liberalized, with the entry of private mutual funds, foreign individual investors and country funds, and with stronger and more transparent regulation of the stock market.

At the national level the average growth of the industrial sector was lower at 7.3 per cent during the 1990s as compared with 8.0 per cent during the 1980s. The average growth rates of mining, quarrying and electricity; gas and water supply were sharply lower in the years since 1992-93. Among the services, the main impetus has emerged from trade, transport and communication and financing, insurance, real estate and business services (which include software). Besides, the growth rates of construction and community, social and personal services have moved up during the recent period compared to the position in the second half of the 1980s.
"The problems and prospects of the SSI sector in Kerala have not yet been deeply studied from the point of view of globalisation. It should be very choosy in using these two terms in the context of Kerala. The SSI policy of 1991 and the liberalisation it visualised, has not happened in Kerala to any significant extent" (Dr. P.M. Mathew 2000). 7

"The Industrial Policy of 1991 and the policy it visualised has not happened in its full spirit and any significant extend in the State. Though the need of the hour is competitiveness, the policies of the State have designed in a particular fashion that day-by-day the entrepreneurs become more and more dependent on the State and other institutional agencies". (Dr. G.K. Nair, 2000)8

Until 1991, Indian economy was practically isolated from world economy. Stress was given for ‘Swadeshi’ and Self-sufficiency. Importance was given for indigenous production of manufactured goods. Exports were mainly resorted on surplus and imports were confined to capital goods. Gradually, during 1980s in the period of foreign exchange shortages, incentives and subsidies were given for industries manufacturing goods for exports or import substitution. The domestic industries were protected from competition, both internal and external. The protection from internal competition was through the system of licensing and controls. The external competition was prevented through a system of restrictions on imports and imposing high tariffs.

In addition to assistances, incentives, subsidies, and tax relieves the government followed a policy of providing special protection to SSI by reserving goods to be produced exclusively in the small scale sector. Out of about 7500 items produced in the SSI sector, 825 products were reserved for exclusive manufacture in the
small scale sector. Non SSI units who produce the reserved items are to satisfy an export obligation of net less than 50 Per cent of their output. The government acts as a big support for the marketing is concerned. There are reservation policies and price support mechanisms for the purchase of products from the small scale sector. Price preference up to 15 Per cent over quotation of large-scale units and 358 items purchased by the Government are exclusively reserved for products produced in the small-scale sector.

In this background of protection, the entire industrial sector in the country became inward looking without any attention for product upgradation, improvement of manufacturing technologies, or research and development. There were no efforts for improving competitiveness in the international market. As a result the position of Indian products in the international market became quite unimpressive. India's share in the world trade declined from 2.2 per cent in early fifties to 0.5 Per cent and it has been stagnating at this level for more than last two decades. The share of small scale sector increased from 9.6 Per cent in 1971-72 to 34.9 Per cent in 1998-99 (Economic Survey – RBI 1971-72, 1998-99). It shows that in the absence of substantially positive contribution from the SSI sector our share in the world trade might have declined further to 0.2 Per cent or 0.3 Per cent (Dr. Chandra Sekhar Prasad 1999).

By the operation of WTO conditionalities, industry cannot survive behind State protection. It cannot hope to get State assistances such as subsidies indefinitely. It has to face severe competition in the domestic market both from imported goods at lower prices and goods produced in India by foreign controlled companies having advantages of latest technology and brand image. In the international market Indian industries will have to face competition from other developing countries and also to face non-tariff
barriers like environmental conditions, health, safety and technical standards from developed countries.

**Negative impacts**

It is said, “Women are the first victims of globalisation and internationalisation. Financial austerity measures, and the fallout from economic globalisation, have had a disproportionate effect on women’s advancement world wide, forcing them to low -paying jobs or unemployment” (Farhan Haq-1998)

An immediate and negative impact of globalisation for women is the collapse of many small and home based industries especially in the traditional sector. Women industries are mainly concentrated in these traditional industries such as Spinning, weaving, Garments making, coir products and leather products. The withdrawal of government protection to these industries in terms of access to raw materials and marketing assistance expose them to competition in the open market. In terms of quality and cost, goods produced in these sectors are unable to compete with cheap imports. These industries also find it difficult to meet the rising cost of production as prices of raw materials power and other inputs increased with price decontrol, withdrawal of concessional power tariffs etc. Additionally they lacked the capacity to undertake technological improvement. The lifting of quantitative restrictions on items exclusively reserved for small-scale sector can spell the death of a number of industries. The items on which quantitative restrictions withdrawn are now subject only to concessional duties in addition to a countervailing duty. Imports are widely under invoiced. There are cases of large scale dumping and various items are entering the country through unfair means like smuggling. Excise duty charged on domestic items is based on maximum retail price, which is higher than the countervailing duty on
Exhibit 4

Growth of Employment opportunities in Kerala 1990-2000

Rate of Increase over the previous year

109
108
107
106
105
104
103
102


107.37 105.18 108.22 107.56 106.47 104.54
cheaper and under invoiced imports. Exhibit- 4 shows the rate of growth in employment opportunities in the state. As shown by the figure there is a significant fall in the rate of growth in employment opportunities in the state during the first decade of economic liberalisation.

Unlimited imports of these goods cause a serious threat to the products of small scale sector in the home market. Increased unemployment due to the closure of small and tiny units will be the outcome. The women will be the first victims as they are the majority working in these sectors.

It is difficult to find out the quantity near which women entrepreneurs are currently involved in the international market (export). Enhancing the export potential of business is an important step in the process of globalisation. The women owned business are only beginning to become involved in international trade. Leather products, Garments, Agarbathy (incense stick), Fresh vegetables, Hand made paper, Cane and bamboo products, food preparations including Pappad, Dry chatney powder, and Masala powder are the important women dominated sectors in India. A large number of women are engaged in these sectors. (All India Association of industries 2000)12.

**Positive impacts**

The positive implications are mainly found in the labour market. Employment opportunities for women can increase where globalisation make it possible outsourcing and sub contracting. This has happened in many industries ranging from printing and publishing to clothing and footwear to microelectronic chips. It is possible both within and across the countries. Another positive implication on employment is derived from the change in skill and job
structure in industries with introduction of modern technologies. There is a trend towards skill polarisation, with elite of technically skilled, high status specialist workers coupled with a larger mass of technically semiskilled, flexible or casual workers requiring minor training. Women are much more likely than men to be found in the latter group. Since little training or on the job training and experience is required, employers are able to resort using temporary workers, to job rotation or to expanding the number of tasks associated with a job. Globalisation warrants large-scale technological innovations. Technology has made it possible to relocate data entry, key boarding and clerical jobs to countries whose comparative advantage lies in low wages, well-educated workforce. Such relocation has been facilitated and stimulated by the growing tradability of the services over computer communication lines. The setting up of data processing centres and "back offices" represents a new avenue of employment for women.

Advance of new technologies, particularly information and communications technologies are bringing new opportunities, which have the potential to fundamentally alter the role of women enterprises in the globalisation process.

Technological progress in the agriculture and agro industries opened up new employment opportunities to women in sericulture, mushroom cultivation, dairying, poultry, sheep rearing and food processing.

“There are indications that women-owned businesses are only beginning to develop their exports and trade networks. With the acceleration of globalisation of economic activities, enhancing the export potential of women entrepreneurs is becoming an important policy issue. Technology and information systems, in particular
electronic and mobile commerce, are bringing about deep-seated changes in the ways small firms do business, and this is especially true for women entrepreneurs.13

The analysis above provides a lucid picture on the domestic strength and weakness of the state in the context of Entrepreneurial development. The State possesses many features such as abundant supply of human resource, excellent transport and communication facilities, sufficient local savings for investment (in terms of bank deposits), natural resources, institutional set up etc suitable for economic and entrepreneurial development. There is handsome and handful programmes and projects placed by the Government to support women entrepreneurs. However, large scale migration of investment and industries to the neighbouring states, incidence of increasing industrial sickness, high mortality rate in the small scale sector and so on reveal that the industrial climate in the State is not conducive for Entrepreneurship development. Shortage of Power is a major weakness. High rate of minimum wages, tax policy, political instability, absence of basic raw materials, absence of early development of basic and engineering industries are seems to be the other factors responsible for low rate of entrepreneurship development and hence slow progress in industrialization.

The study shows that most of the socio-cultural conditions such as literacy, health standards, sex parity level of education etc are not detrimental to the growth of women entrepreneurs in the state. But the general economic conditions and Sectoral growth potentials are found not congenial for the development of women enterprises. As observed by the respondents in the sample study (refer table 4.7), the new economic policy did not make any significant impact in the women sector.
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