CHAPTER III

DEVELOPMENT OF WOMEN ENTREPRENEURSHIP

IN KERALA
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Chapter III

DEVELOPMENT OF WOMEN ENTREPRENEURSHIP

IN KERALA

The initiatives and leadership, which lead to the embodiment of business ideas, are termed as entrepreneurship and the individual who promotes the unit, organizes the factors of production, and manage the affairs of the business is called an "entrepreneur". Thus, the process or activities behind the search and exploitation of business opportunities are rightly referred as entrepreneurship. Therefore, entrepreneurship as an economic activity includes search for a new business opportunity, arrange for its exploitation, undertake the risk of uncertainties and initiate innovations for the betterment of results from the available resources. It possesses basic characteristics of ability to discover and identify a business opportunity, capacity to organize an enterprise and confidence to undertake the risk of uncertainty.

The basic objectives of entrepreneurship development are to generate productive human resource in the society and to sustain the same for the process of further development. The failure to promote and stimulate economic activities in less developed or developing countries may be attributable to the low level of entrepreneurship development in these regions.

The conventional belief that entrepreneurs are born has already been dispelled. On the contrary, many of the developers have the belief that everybody in the universe has the potentiality of becoming an entrepreneur. People of underdeveloped countries also possess
potentiality of becoming entrepreneurs. The development of entrepreneurial class would directly relate to the socio-economic conditions prevailing in the region. Social, religious, cultural, and psychological factors persuade the process of engendering entrepreneurial class. It has been recognized that since, entrepreneurship is essentially a personal quality - the individual is the crucial factor. Therefore in any attempt for entrepreneurial development, the focus must be the individual - the individuals having real entrepreneurial potentialities.

Akhouri (1987) suggests that training for accelerating entrepreneurial growth of first generation entrepreneurs requires developing:

- Entrepreneurial quality/motivation -
- Capability of enterprise launching/resourcing
- Ability for enterprise management
- Social responsibility/Entrepreneurial Discipline

Thus the focus of the entrepreneurial development programmes should not only be achievement motivation but also to provide training in action planning managerial skills and project planning.

The idea of Entrepreneurship development programme was conceived in the country during late 1960s. The Small Industries Extension Training Institute (SIETI), Hyderabad under the sponsorship of Ford Foundation and Govt. of India initiated such a programme in the country. With the introduction of self-employment programme, various State Governments began to organize EDPs in early 70s. Now besides various governmental institutional agencies and a number of
Non-governmental Organizations are also conducting Entrepreneurial Training and development programmes in the country.

WOMEN ENTREPRENEURS

The term, 'Entrepreneurship' is gender free. Therefore, it is not an easy task to define a 'women enterprise' or a 'women entrepreneur'.

The Ministry of SSI & ARI, Government of India defined a women Enterprise as “An SSI unit/industry related service or business enterprise, managed by one or more women entrepreneurs in Proprietary concerns, or in which she / they individually or jointly have a share capital of not less than 51 Per cent as Partners/Share Holders/Directors of Private Limited Company/Member of Co-operative Society.

The Industries department, Government of Kerala has defined women industrial units as “units owned and organized by women and engaged in small scale and cottage industries with not less than 80 Per cent of the workers are women”

The above definitions are only guidelines for granting incentives and benefits offered for women by the State and Central governments.

For the purpose of this study, enterprises in which women have participation in capital and effective control over management are termed as ‘women enterprises’. All women working independently, self-employed in proprietary concerns, active partners in partnership firms, Board members in women Industries co-operative societies and Directors in a Company are termed as ‘women entrepreneurs’. The check is only that whether they have effective participation in ownership and control (i.e. in capital and management.)

As to the functions, qualities or traits there is no fundamental difference between male or female entrepreneurs. However, in addition
to the entrepreneurial functions women folk have to play their patriarchal role as homemaker. Therefore, women entrepreneurs require some additional qualities and deserve some special considerations, encouragements, and support. Hence, the problems of women entrepreneurs must be analysed from a dissimilar perspective.

Goffee and Acase (1985) attributed some unique characteristics for women entrepreneurs and classified women entrepreneurs in to four groups:

a. *The Conventional Group:* This Group is made up of women entrepreneurs who believe in the natural superiority of men, although they have lofty entrepreneurial ideals. They have high attachment to entrepreneurial ideals and an equal attachment to patriarchal ideals. They possess high attachment to conventional notions about gender roles.

b. *The innovative group:* This group has a high attachment to entrepreneurial ideals but a low attachment to patriarchal ideals. They reject prevailing / conventional notions and are not afraid to compete with men. They are often more educated than the conventional group.

c. *The domestic group:* This group has high attachment to patriarchal ideals and very low attachment to entrepreneurial ideals. They are strongly attached to the conventional female role. Very often they are unwillingly self-employed entrepreneurs.

d. *The radical group:* This group has a very low attachment to both entrepreneurial and patriarchal ideals. They have no commitment to conventional female roles and no commitment to entrepreneurial ideals. They became entrepreneurs due to various reasons.

**Types of women entrepreneurs**
On the basis of the situation in which women turn to the role of an entrepreneur, they can be classified into three:

a. **Natural entrepreneurs**

Natural or pure entrepreneurs possess basic entrepreneurial talent and are often good managers too. They are motivated by economic rewards (make profit or generate income) or Psychological factors such as independent employment, social status etc. On getting a chance, they will start their carrier. Majority of them will establish without much external support and assistance.

b. **Created entrepreneurs**

Created or motivated entrepreneurs are prop up through incentives, training or such other schemes. Even though they are not self-starters, if someone gets them started they keep going all right. Entrepreneurship Development Programmes (EDPs) and Governmental assistances are aimed at creating new generation entrepreneurs.

c. **Forced entrepreneurs**

Forced entrepreneurs are reluctant to undertake any venture. But some incidents push them to undertake the responsibility of a business. Death of parents or husband, property, or family business inherited may force them to become entrepreneurs. They are by and large deficient in managerial proficiency.

**Typical Characteristics for Successful Women Entrepreneur**

Since the entrepreneurial functions are same, a woman entrepreneur should possess all the qualities that require for a successful entrepreneur. Under the prevailing socio-economic conditions in developing countries, the women folk require Government patronage through institutional support and financial assistance,
recognition of the society and moral support and encouragement of family members.

Need for achievement and basic entrepreneurial abilities are personal qualities essentially required for a woman to become a successful entrepreneur. Managerial skills can be inculcated through proper training. The role of Institutional agencies is to ensure access over credit and provide training and technology.

In a seminar conducted to discuss the development of women entrepreneurship, the workshop identified the following typical characteristics for a successful women entrepreneur (ILO Seminar Sept.2000)\(^2\)

The successful income-generating woman typically has got following characteristics:

- Strives for independence
- Gets support by her family (e.g. household, acceptance by husband)
- Marketing abilities (e.g. able to do price calculations)
- Aims at concrete objectives and has got ambition

It was found that in contrast to these characteristics an income-generating woman will not have much success, if she is very isolated, extremely poor (no resources at all), hasn’t got energy for change, hasn’t got ambition.\(^3\) She needs support of the family and assistance at the organised institutional levels. Hence creation of a women entrepreneur requires personal qualities at the micro level plus family support and institutional assistances at the macro levels.
A successful women entrepreneur is the outcome of [Basic entrepreneurial + Managerial abilities] +[Family support +Institutional assistance.]

**DEVELOPMENT OF WOMEN ENTREPRENEURSHIP**

Economic development is the result of contributions of the working population, both male and female in the region. Women constitute almost half of the population in the world; therefore, their contribution to the economy is significant. In the patriarchal traditional society, women folk were not expected to have a direct role in industrial and commercial activities. In the modern society, the role and degree of integration of women in economic development is considered as the indicator of social advancement and the women's economic independence.

Women everywhere, in developed or developing economy in the world, are becoming entrepreneurs. The profound structural changes taking place in the developed countries generate new opportunities for women. Changing sociological factors also contribute to this. Since the Second World War, there was a great flow of women to labour markets in the western world. They are found to be motivated by several factors such as need for independence and self sufficiency, domestic financial requirements, increasing rate of divorcing and increasing number of women as heads of house holds. Changing values and attitudes towards paid work also encourage members of wealthy family to seek self-realization outside the home. This emerging pattern in the developed countries inspired their counter part in the developing countries. In any economy, whether developed or developing, not all women are content to be employees. A growing number are emerging as entrepreneurs. For low-income women, the primary motivation is to earn income. But for many women entrepreneurs, such other
objectives as self-realization or doing something worthwhile are as important as earning a profit.

Promotion of self-employment of educated women is rather important for many reasons. Household women cannot accept a regular full-time employment for the double role which women have to play even now. It is not easy for them to find a job that will be suitable with family responsibilities and chores. Women who run their own enterprises are able to develop a working schedule that allows them to combine their domestic responsibilities and entrepreneurial duties. It not only gives them an independent income but also provides self-reliance and social status. Promotion of self-employment of educated women has additional advantage of creating more jobs for aspiring educated women. Self-employed women enterprises are creating employment for themselves and for others.

The overall context of Women Entrepreneurship Development can be described in terms of: (a) the Macro environment within which women entrepreneurs create and develop their enterprises; (b) the meso sphere, the intermediary and institutional sphere within which women entrepreneurs can open and operational their enterprise, and (c) the micro sphere (the family and household sphere) within which the gender specific division of labour and decision making power shape women's multiple identities, including his potential identity as an entrepreneur in a given cultural and ideological context. The macro environment comprised of many interconnecting structure and dynamics, including: laws and regulations, competition, labour market, international trade, technology, credit facilities, natural resources, physical infrastructure etc. While the macro environment impacts up on all entrepreneurs there is much evidence to indicate that women are more disadvantaged than men in relation to the opportunities and barriers arising from these structures and dynamics. There is a large
number of organizations involved in providing support services to entrepreneurs. However, for a variety of reasons many of these organizations tend to act as barriers when it comes to providing assistance to women entrepreneurs. At this level it is find that many of the organizations which implement policies and programmes, and lack of their support for women entrepreneurs contributes greatly to their continuing disempowerment. In many countries in south Asia women experience an unequal power relationship with men who are often reflected in persistent intra family inequalities in the distribution of tasks, in access and control over resources, as well as in intra household bargaining power, which typically also weakens a woman’s extra -household bargaining power. They are expected to carry household work, child rearing, and other tasks restrict their economic opportunities. The requirement that women should stay close to the home further limits their potentials in business. (Gerry Finnegann and Katrine Danielsen 1997, ILO-SAAT New Delhi)4

WOMEN ENTREPRENEURSHIP - World Scenario

The political world pays increasing attention to small enterprises that are a driving force behind economic growth, social well-being, and the creation of jobs. The presence of women is particularly relevant in this area: According to recent estimates, the number of firms set up by women is growing twice as fast as those created by men. The worldwide amount of self-employed women has switched from 26 Per cent in 1970 to 40 Per cent in 1997. This dramatic growth has been possible despite the difficulties that small and medium-sized enterprises run by women must face when having to obtain funds and step into new markets.

"Women entrepreneurship suffers from a lack of statistical information and research, thus limiting analysis and leading to the use of a priori estimates and hypotheses. It is crucially important to promote the
development of research in order to better inform the different actors and decision makers about a social and economic phenomenon with a real potential for innovation and job creation in the 21st century." [Bertrand Duchene, France, First Plenary Session, Organization for Economic Cooperation and Development (OECD) Conference on Women Entrepreneurs in Small and Medium Enterprises, Paris, 1997, April 16-18.]

Table 3.1 depicts the growth of Women participation in the self employment in selected countries.

**Women Entrepreneurship in Canada.**

Although the past few years have witnessed a decrease in the participation rate of the Canadian population, the proportion of self-employed workers has increased steadily. In just one year, between 1995 and 1996, the number of self-employed workers increased by over 6 Per cent. The increase was 5 Per cent for men and close to 9 Per cent for women, who numbered 733,000 in this category last year. In 1995, 15.4 Per cent of all Canadian workers were self-employed, including 11 Per cent of all employed women and 19 Per cent of all employed men. In total, the 675,000 self-employed women represented 5 Per cent of the entire Canadian working population, while self-employed men represented 10.4 Per cent. Self-employment among women has been steadily growing, with a rate of approximately 25 Per cent during 1985-1990 and 1990-1995. Self-employment among men is growing slower and was less important in 1990-1995 than it was in 1985-1990.

Because of the faster growth rate of self-employment among women, the proportion of Canadian self-employed women increased from nearly one fifth in 1975 (18.9 Per cent) to almost one third in 1995 (32.5 Per cent). Now Women Owned Businesses in Canada make up
nearly one third of all the businesses in Canada and provide about one million jobs for Canadians.

Table 3.1

Evolution of rate of women amongst the Self-Employed in selected Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Per cent to total self employed 1960</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>28</td>
<td>35</td>
</tr>
<tr>
<td>Denmark</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Germany</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td>Italy</td>
<td>15</td>
<td>24</td>
</tr>
<tr>
<td>Netherlands</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>Norway</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>Switzerland</td>
<td>15</td>
<td>32</td>
</tr>
<tr>
<td>Sweden</td>
<td>10</td>
<td>26</td>
</tr>
<tr>
<td>Australia</td>
<td>16</td>
<td>32</td>
</tr>
<tr>
<td>United States</td>
<td>14</td>
<td>36</td>
</tr>
<tr>
<td>Africa</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Latin America</td>
<td>16</td>
<td>34</td>
</tr>
<tr>
<td>Asia</td>
<td>19</td>
<td>25</td>
</tr>
<tr>
<td>Average</td>
<td>15</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: www.oecd.org, OECD Conference on Women Entrepreneurship, 1999
South Africa

Women dominate the lowest end of the enterprise spectrum in South Africa. It is estimated that 30 Per cent of households in the country are women headed and there has been increased dependency on the income of women. Women run about 20 Per cent of all the enterprises in the country. According to the October House Survey 1995, the majority of the women entrepreneurs are in the survivalist sector (Food, clothing, provisions etc.) compared with only 23 Per cent men. In rural areas more than 60 Per cent of women entrepreneurs are in the survivalist sector. 51 Per cent of women are functioning in the micro and very small sectors.6

Women Entrepreneurship in Israel.

The emergence of women in entrepreneurship has created interest and greater awareness in Israel, as evidenced by the establishment of several associations of businesswomen. However, projections on the proportion of women-owned businesses in the current decade suggest that the population will remain stable. This is in sharp contrast to the US statistics, which project a great increase in the numbers of women who will start new ventures.

Development of women entrepreneurship in the USA

Women owned businesses are the fastest growing segment of the United States economy. During eight years from 1980 to 1988, the number of entrepreneurs in the US increased 56 percent while the number of women entrepreneurs increased by 82 percent. By 1994 women owned 31 Per cent of all businesses in the country and by 1999 it is estimated at nearly 40 Per cent. During the last decade women owned businesses have recorded a growth of 250 Per cent in terms of
number of units. Table 3.2 shows the growth of women enterprises in the United States.

Table 3.2

<table>
<thead>
<tr>
<th></th>
<th>1987</th>
<th>1991</th>
<th>19961</th>
<th>Variation</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of enterprises (millions)</td>
<td>4.47</td>
<td>6.41</td>
<td>7.95</td>
<td>+77.6</td>
<td>+6.6</td>
</tr>
<tr>
<td>Employment (millions)</td>
<td>6.55</td>
<td>13.21</td>
<td>18.54</td>
<td>+182.7</td>
<td>+12.2</td>
</tr>
<tr>
<td>Turnover (billions)</td>
<td>681</td>
<td>1 574</td>
<td>2 288</td>
<td>+235.8</td>
<td>+14.5</td>
</tr>
</tbody>
</table>

Source: OECD. www.oecd.org

Women Entrepreneurship in Japan

Japan women placed an early record in the national scenario of entrepreneurship. In 1976 their share was 33.0 percent in the domain of SMEs and self-employment. In 1986 it was increased to 35.9 percent. Even though there was significant increase in the number of women entrepreneurs the share of Women employers and working on own account enterprises decreased to 32.2 percent in 1996.

WOMEN ENTREPRENEURSHIP IN INDIA

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s.
Women entrepreneurs need to be lauded for their increased utilisation of modern technology increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector. According to the Second All India Census of registered Small Scale Industries (for the base year 1987-88) share of women in the SSI sector was only 7.70 percent. In 1998, it is estimated that women entrepreneurs comprise about 12 Per cent of the total entrepreneurs in India. It is also clear that this percentage is growing and if the prevailing trends continue, it is not unlikely that in another five years, women will comprise 20 Percent of the entrepreneurial force in India.  

Out of total 940.98 million people in India, in the 1990s females comprised 437.10 million representing 46.5 percent of the total population there were 126.48 million women work force, representing 28.9 Per cent of the female population. As per 1991 census, only 185900 women accounting for 4.5 percent of the total self-employed persons in the country were recorded. Majority of them engaged in the unorganised sector like agriculture, agro based industries, handicrafts, handlooms, and cottage based industries. Participation of women as industrial entrepreneurs, however, is comparatively a recent phenomenon-commencing from 70s onwards. There were more than 295680 women entrepreneurs claiming 11.2 percent of the total 2.64 million entrepreneurs in India during 1995-96. This is almost double the percentage of women (5.2 Per cent) among the total population of self-employed during 1981. Of this, a majority was concentrated in low paid, low skilled, low technology and low productivity jobs in the rural and unorganised sector. 90 Per cent (79.4 million) women workers were in the rural areas as against only 10 Per cent in urban areas. Only 2.5 million, a mere 12.4 Per cent of the total employed women workers were in the organized sector. During the Eighth five-year Plan, the
number of SSI s expected to rise from 1.7 million to 2.5 million, adding 0.8 million i.e. 1.6 lakh every year. A rough estimate showed that among the SSI entrepreneurs in the organized sector approximately 9 Per cent were women entrepreneurs. Their participation, however, is increasing. Considering the trend, women participation in another five years will be above 20 Per cent, raising the number of women entrepreneurs to about 5 lakhs. 8

GROWTH OF WOMEN ENTREPRENEURSHIP IN KERALA

Kerala is the only state in India where women outnumber men (with a sex ratio of 1036) not only in population but also in unemployment among educated. It shows the literacy level of women folk in the state. In respect of wage structure, employment, professions, service and technical scenarios women got equality with men. Women in Kerala have marked their presence in every walk of life such as Freedom fight, literature, politics, governance, social work, professions, and fine art and so on.

However, there is no reliable data regarding the role of women in the entrepreneurial scenario of the state. The available data shows that the industrial sector of Kerala even days before the plan period was dominated by small-scale traditional industries. It was in 1977-78 a census of small-scale industries made in the state as per the guidelines of the Central Government. Even in that Census and until 1970, no specific arrangements had been made to record the units organized and run by women. Since 1970s efforts were made in a systematic manner by government and private agencies to promote self-employment among women.

Although women constitute half of the population, only minorities of them have active participation in the entrepreneurial sector. Majority of
the working women were engaged in the unorganised sector as employees and when they start a business or industry that was confined to low technology and low investment traditional lines.

There were only 901 women owned small scale industrial units in the state by the end of March 1985. In 1984-85 women owned only 92.86 Per cent of the Small Scale Industries in the state. As on June 30th 1986 there were 221 women industrial cooperatives in the state. Kerala that has been placed in the first for highest degree of literacy among women in India is promoting women entrepreneurship with a spirit of dedication. The Kerala state government has set up ‘Centre for Management Development’ (CMD) as a Lead agency to coordinate the efforts for entrepreneurship development in the state. The CMD has started a special programme for women entrepreneurs.

Kerala has an early history of state initiative towards the development of women entrepreneurship. Vigorous attempts were made by the State to promote women entrepreneurship by providing concessions and incentives to them through special programmes. In April 1975, the Government of Kerala launched a massive programme to promote Small Scale Industries in the State. It was designed to promote employment opportunities to the unemployed educated youth. The programme was to implement through Mini Industrial Estates.

In 1975, in the international women year, a special scheme called Women Industries Development Programme (WIP) was drawn up for promoting and organizing women industrial units, and women industrial co-operative societies in the state. Small scale and cottage industrial units owned and managed by women, and in not less than 80 Per cent of workers are women will be considered as women industries, and they are eligible for special incentives and concessions under this scheme.
Vigorous efforts were made through seminars at the state and district levels in order to attract women to start industrial units. These seminars created a radical change in the attitude of educated women who were waiting for employment. During 1975-76 about 150 women's industrial units were registered in the state.

**Women in the Small Scale sector**

District Industries Centres (DICs) were also set up in all the district of the State in 1977. In 1978-79 a special ‘Cell’ was formed in the Directorate of Industries and Commerce to attend the problems of women entrepreneurs and to co-ordinate the efforts for promotion of Women industries units under WIP. In DICs also a special officer was appointed to look after the women industries.

Women owned SSI units are increasing at a rate faster than the general growth rate in the Small Scale Industrial sector of the State and the trend continues since 1990-91. In the beginning of the decade, in 1990-91, 584 small scale industrial units were opened by women and the total women owned units became 6967. There was a tremendous change in the trend from 1992-93 and in that year women launched 2669 SSIs in the state.

Table 3.3 shows the growth of women enterprises in the small scale industries in Kerala.

As revealed by the table and Exhibit -5 the total number of women enterprises increased from 7551 in 1990-91 to 34435 by 31st March 1999, an increase of 408 Per cent with an average compounded growth rate of 18.89 percent against the over all growth of 14.5 Per cent. On 31st March 2000 there were 38364 women owned SSIs comprising 17.5 Per cent of the 219833 registered small scale industrial units in the State. The decadal growth of women in the SSI sector was 408 per cent.
Exhibit 9

Participation of women in the SSI sector
Table 3.3

Growth of women enterprises in the small scale sector

<table>
<thead>
<tr>
<th>As on 31st March</th>
<th>Units promoted by women</th>
<th>Rate of growth</th>
<th>Units promoted by men</th>
<th>Rate of growth</th>
<th>Total units registered</th>
<th>Rate of growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>6967</td>
<td></td>
<td>47068</td>
<td></td>
<td>54035</td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>7551</td>
<td>8.38</td>
<td>55331</td>
<td>17.56</td>
<td>62882</td>
<td>16.37</td>
</tr>
<tr>
<td>1992</td>
<td>8331</td>
<td>10.33</td>
<td>65469</td>
<td>18.32</td>
<td>73800</td>
<td>17.36</td>
</tr>
<tr>
<td>1993</td>
<td>11000</td>
<td>32.04</td>
<td>84851</td>
<td>29.60</td>
<td>95851</td>
<td>29.88</td>
</tr>
<tr>
<td>1994</td>
<td>14742</td>
<td>34.02</td>
<td>95642</td>
<td>12.72</td>
<td>110384</td>
<td>15.16</td>
</tr>
<tr>
<td>1995</td>
<td>18361</td>
<td>24.55</td>
<td>107859</td>
<td>12.77</td>
<td>126220</td>
<td>14.35</td>
</tr>
<tr>
<td>1996</td>
<td>22072</td>
<td>20.21</td>
<td>121051</td>
<td>12.23</td>
<td>143123</td>
<td>13.39</td>
</tr>
<tr>
<td>1997</td>
<td>25310</td>
<td>14.67</td>
<td>135234</td>
<td>11.72</td>
<td>160544</td>
<td>12.17</td>
</tr>
<tr>
<td>1998</td>
<td>29976</td>
<td>18.44</td>
<td>150115</td>
<td>11.00</td>
<td>180091</td>
<td>12.18</td>
</tr>
<tr>
<td>1999</td>
<td>34435</td>
<td>14.88</td>
<td>165392</td>
<td>10.18</td>
<td>199827</td>
<td>10.96</td>
</tr>
<tr>
<td>2000</td>
<td>38364</td>
<td>11.41</td>
<td>181469</td>
<td>9.72</td>
<td>219833</td>
<td>10.01</td>
</tr>
<tr>
<td>Compounded annual rate</td>
<td></td>
<td>18.89</td>
<td></td>
<td>14.58</td>
<td></td>
<td>15.18</td>
</tr>
</tbody>
</table>

Source: Economic review 1991-2000, State Planning board, Kerala

During the decade under reference the rate of participation of women in the small-scale sector increased from 10.3 in 1991 to 17.5 in 2000. Exhibit 6 shows the Annual growth rate of women and men units registered in Kerala during 1991-2000

**Women Industries Programme (WIP)**

Women Industries Programme was launched in 1975. But for various reasons the scheme could not attract significant number of women to the industrial arena. Only 5 units registered in 1978-79, 201
Exhibit 6

Annual Growth of men and women units registered in Kerala 1991-2000

Years 1991-2000
units in 1980-81, and 139 units in 1984-85. The table below represents the units registered by women under this scheme.

Table 3.4

The progress of Registration Under WIP Scheme

<table>
<thead>
<tr>
<th>Year (as on March 31st)</th>
<th>Units registered under WIP</th>
<th>Growth Index (1981=100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>331</td>
<td>100</td>
</tr>
<tr>
<td>1985</td>
<td>1166</td>
<td>252</td>
</tr>
<tr>
<td>1991</td>
<td>3468</td>
<td>948</td>
</tr>
<tr>
<td>1995</td>
<td>7245</td>
<td>2089</td>
</tr>
<tr>
<td>2000</td>
<td>12854</td>
<td>3783</td>
</tr>
</tbody>
</table>

Average growth

Compounded Average annual growth rate

Source: Directorate of Industries & Commerce, Thiruvananthapuram

As revealed by the table 3.4 the number of units registered under WIP scheme increased from 125 in 1981 to 12854 by 2000 registered a growth of 3783 per cent and account for an average growth of 190 per cent during the period 1981-2000.

Considering the annual growth rate of the number of units included under WIP by satisfying the stipulated norms, the rate has been increased at an outstanding compounded average rate of 32.8 per cent over the last twenty years. Even though the scheme was introduced in 1975 about 75 per cent (9386 out of 12854) of the units were included under the scheme during the period 1991-2000.

Industrial Cooperative societies.

Cooperative sector is considered as the best type of organisation which provides group entrepreneurship and departmental control. The
Self Help Groups promoted by Local Governments forms a thrust for
the promotion of cooperative units in the women sector.

Table 3.5

Industrial Co operative societies Promoted by women in Kerala

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Women</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>1449</td>
<td>243</td>
<td>16.77</td>
</tr>
<tr>
<td>1994-95</td>
<td>1918</td>
<td>521</td>
<td>27.16</td>
</tr>
<tr>
<td>1999-2000</td>
<td>2447</td>
<td>861</td>
<td>35.18</td>
</tr>
</tbody>
</table>

Source: Compiled from Economic Review, Planning Board, Kerala.

Table 3.5 shows the distribution of Industrial cooperative
societies and the percentage participation of women from 1990-91 to

In 1990-91 the participation of women cooperatives in the small scale
sector was 16.77 percent which has been increased to 35.18 percent by
2000. Out of 861 Women cooperatives, 618 (72 per cent) were

**Women Component Plan Under Local Self Governments.**

The three-tier Panchayatiraj system came in to existence in the
state on October 2nd 1995. There are 991 Grama Panchayat, 152
Block Panchayats and 14 Zillah Panchayats under the system.
Gender issues have been given special emphasis in the plan of
working of these institutions It was made mandatory for the local
bodies to set apart 10 percent of the plan funds for projects directly
targeting women. The table 3.10 shows the utilisation of funds under
As revealed by the table out of the grant in aid under Women Component Plan in 1997-98 (it was only 4.26 per cent of the total fund) only 18.1 per cent was utilized for promoting small scale industrial units. Major portion of the funds earmarked for women projects were utilized for common physical facilities.

Table 3.6

Distribution of grant in aid under Women Component Plan

<table>
<thead>
<tr>
<th>Items</th>
<th>In percent to total grant in WCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Scale Industries</td>
<td>18.1</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>NA</td>
</tr>
<tr>
<td>Handloom</td>
<td>NA</td>
</tr>
<tr>
<td>Coir</td>
<td>NA</td>
</tr>
<tr>
<td>Khadi</td>
<td>NA</td>
</tr>
<tr>
<td>Sericulture</td>
<td>NA</td>
</tr>
<tr>
<td>Other Industries</td>
<td>NA</td>
</tr>
<tr>
<td>Industrial co-operative societies</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Source: Compiled from Economic review, State Planning Board, Thiruvananthapuram.

Note: 'NA' shows details 'Not Available)

Women component plan for 1998-99 gave more emphasis for meeting the strategic gender needs of women. The share of industrial projects was 18.1 percent of the total funds. The funds earmarked for WCP in the total grant in aid increased to 11.25 percent. The share of industrial projects in the Women Component plan increased to 33.60
percent of the total funds provided in this sector. During 1999-2000 the total outlay of this sector declined to 31.80 percent. Table 3.6 depicts the utilisation of funds under WCP 1998-99

This period was also witnessed for the rapid development of Women Self Help Groups. A major portion of industrial projects undertaken under Women Component Plan was 'women industrial co-operative societies' promoted by self-help groups (SHGs).

**Self Help Groups (SHGs)**

An important development in the State under Peoples Planning Programme is the rapid growth of Women Self Help Groups (SHGs). They are on the line of Community Development Societies of Alleppey district and Self Help Groups of women in Malapuram district. However, the SHGs organized under the new system have some unique features. They have promoted by 'Ayalkootams' a byproduct of local level planning and 'Gramasabhas' They got impetus from Women component plan of the local bodies and activities of Ayalkootams.

Self Help Groups are group of such people who want to pursue common goals through group action and self help. There will be 20-50 members in each SHG. They undertake activities and ventures having local source of raw materials and market and work with participation of members in ownership, management, labour, and marketing. A large number of such ventures have promoted in the areas of group farming such as growing of flower plants, herbals; business ventures including restaurants, food products, garments making, handicrafts etc. No reliable statistics are available on the working status of these groups in the State.
It is seen that three types of Self Help Groups have been developed. First kind of them are the groups organized as projects of Local bodies. They are mainly organized with financial assistance of local bodies. The next type of SHGs are initiated by financial institutions or other organisations and then integrated with the Plan projects of local bodies. The third type of SHGs are organized and promoted by Ayalkootams. They are organized to undertake some sort of manufacturing or agricultural activities. Their initial source of funds will be generated from own savings and supplemented by assistance of local bodies. This type of SHGs are found more sustainable since there is real initiation and motivation from the part of members. Lack of managerial skill, shortage of funds, problems invoked by unnecessary political interference and rivalries, difficulties in marketing the products, disharmony among members are the major problems faced by these groups. There is no system to coordinate and direct the activities of these groups. If nurtured well, the Self Help Groups will be a powerful source for the exploitation of unutilised rural resources including entrepreneurial potential, for the economic development of rural, especially of the women folk.

Kudambasree Projects

Kudambasree is a poverty eradication project officially launched in the State in May 1998. The State Government and NABARD jointly implement this project through Local Bodies. The project emphasises the empowerment of women through their cooperation and mobilisation of their small savings and utilisation of their savings for starting micro enterprises. The NHGs will collect small savings from its members and act as an informal rural bank. It also act as a rural marketing network for marketing their own products and products of other NHGs. There is a three-tier system for the implementation of the project. At the bottom level there are Neighbour hood Groups (NHGs)
formed by 15-40 adult women, one each member from a risk family. In the middle level there are Area Development Societies (ADS), the association of NHGs of one or more wards. Community Development Societies (CDS) formed at the Panchayat or municipality level for coordinating the activities of Area Development Societies. The Local Governments provide training and assistance for the formation of societies and to start enterprises. In 2000 there were 14000 NHGs functioning in the State. It is expected that at least one micro enterprise will be started in a NHG with a minimum turnover of Rs. 1 lakh per enterprise. It is also expected to start 6000 micro enterprises in five years and 3 lakh micro enterprises in the next five years.

The Kudumabshree project is expected to be a new convergence in the agenda of women empowerment, as it provides for gender budgeting, monitoring and auditing.
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