PREFACE

It is a well established fact that the economic development of a country is generally equated with its industrial development. It is the entrepreneur who stands at the centre of the industrial activity and assumes various roles of a country’s development process. Large, medium and small industrial units play a mutually complementary role in the integrated and harmonious growth of the industrial sector as a whole. However, small enterprises outnumber the larger ones in every country and play a vibrant and vital role in the process of industrialisation by contributing significantly to production and exports. As the pace of innovation accelerates, the small scale sector will provide new opportunities to entrepreneurs to grow. Again, this sector is widely recognised as a valuable foundation in fostering economic growth. Therefore, entrepreneurship has now become an important focal point in the third world countries.

Any strategy aimed at economic development will be lopsided without involving the women folk who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Owing to the inexorable forces of changes, several women have set the ball rolling. Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region propelled by foreign direct investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs. In the dynamic world, women entrepreneurs are likely to become an important part of the global quest for sustained economic development and social progress. The regional experience suggests that the key to enhance the participation of women in industry and their socio-economic status is sustained economic growth and macro economic stability. There has been a rapid increase in the efforts to encourage women
entrepreneurship in developing countries with the adoption of concrete industrial development goals and strategies. The role of women entrepreneurs is undergoing profound changes in the wake of technological innovations which have brought fresh opportunities to consolidate, enhance and derive the benefits reaped in promoting women entrepreneurship.

However, in India, though women have played a key role in the society, the entrepreneurial ability of women has not been properly developed and efficiently elicited due to the lower status of women in the society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognised with a marked shift in the approach to women issues from women welfare to women development. Since then, the Government is more concerned with the overall economic development of women. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are implemented for the development of women entrepreneurship in India. It is an accepted fact that the role of women in productive activities in India has been increasing over the years. For the emergence and development of women entrepreneurship, effective management and development of women’s resources are inextricable for a developing country like India. Therefore, women entrepreneurship should be nurtured with much care by the Government, its agencies, financial institutions, the society and the individuals who undertake it. Intensified efforts are required to persuade women to enter industrial sector and to ensure equal economic opportunities to women and men. Provisions of successful programmes, opportunities for economic activity are very essential so as to integrate women into all economic activities on a par with men.

Regarding entrepreneurship, much literature has been published. Since women entrepreneurship is a recent phenomenon, only very few efforts have been made to explore women entrepreneurship in India. By and large, these studies have focused on women more as workers and less as entrepreneurs. This necessitates more studies on women entrepreneurship, so as to implement effective policy measures in this regard. The present study is confined to two
southern States of India-Kerala (an industrially backward State) and Tamil Nadu (an industrially advanced State). It attempts to make a comparison of the socio-economic status and problems of women entrepreneurs in Kerala and Tamil Nadu and also the role of Government agencies and financial institutions in the development of women entrepreneurship and also the measures to be taken to promote women entrepreneurship. The assessment has been made on the basis of the perceptions of the women entrepreneurs, Government agencies, financial institutions and employees. However, the focus of the study is the women entrepreneurs. The study covers a decade from 1996-’97 to 2004-’05.

Both primary and secondary data were used in the study. The primary data were collected from a sample of 487 women-managed SSI units in Kerala and Tamil Nadu, selected at random from three districts, each from Kerala and Tamil Nadu. Structured interview schedules were issued to the sample respondents, viz. women entrepreneurs, their employees and the Government agencies and financial institutions from where assistance was availed by the respondents. The secondary data were collected from the publications of Ministry of Small Scale Industries, Government of India, Department of Industries and Commerce, Tamil Nadu and Directorate of Industries and Commerce, Kerala, reports, books and periodicals. The data were suitably classified and analysed keeping in view the objectives of the study. Statistical tools such as chi-square test, t-test, z-test, rank test and proportion test were applied to test hypotheses.

The study is organised in seven chapters. At the very outset, a theoretical background has been created to describe the profile of women entrepreneurship, viz. concept, evolution and importance of women entrepreneurship, women entrepreneurship in India, Kerala and Tamil Nadu and institutions promoting women entrepreneurship in India, Kerala and Tamil Nadu. The second chapter reviews earlier studies on women entrepreneurship. The statement of the problem, scope of the study, objectives, hypotheses, sample, collection of data, tools of analysis, period of study and limitations of the study are given in chapter 3. The socio-economic status of women entrepreneurs in
Kerala and Tamil Nadu is analysed in chapter 4. Chapter 5 dwells on the role and involvement of Government agencies and financial institutions in the development of women entrepreneurship in Kerala and Tamil Nadu. The problems of women entrepreneurs in Kerala and Tamil Nadu are explored in Chapter 6. Chapter 7 sums up the findings of the study and advances proposals for the promotion of women entrepreneurship in Kerala and Tamil Nadu.

It is hoped that a study of this nature, oriented towards the existing women entrepreneurs of two different States, would provide an acute insight into the socio-economic status of women entrepreneurs and also the problems associated with the emergence of women entrepreneurship and its functioning. This would help in formulating a specific policy for the development of women entrepreneurship by the Government and the developmental agencies.

SANTha S.
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<td>ASSOCHAM</td>
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<td>Aid The Weaker Trust</td>
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<td>AWAKE</td>
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<td>AWESSI</td>
<td>Association of Women Entrepreneurs of Small Scale Industries</td>
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<td>CDS</td>
<td>Community Development Society</td>
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<td>Centre for Entrepreneurship Development</td>
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<td>Central Institute of Plastic Engineering and Technology</td>
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<td>CWEI</td>
<td>Consortium of Women Entrepreneurs of India</td>
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<td>District Rural Development Agency</td>
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<td>DWCUA</td>
<td>Development of Women and Children in Urban Area</td>
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<td>EDP</td>
<td>Entrepreneurship Development Programme</td>
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<td>FASII</td>
<td>Federation of Associations of Small Industries of India</td>
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<td>FI</td>
<td>Financial Institution</td>
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<td>FICCI</td>
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<td>Federation of Indian Exporters Organisation</td>
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<td>ICSI</td>
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<td>IIBI</td>
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<td>International Labour Office</td>
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KIED  Kerala Institute for Entrepreneurship Development
KSIDC  Kerala State Industrial Development Corporation Ltd.
KSWIA  Kerala State Women’s Industries Association
KSWDC  Kerala State Women’s Development Corporation
KVIC  Khadi and Village Industries Commission
LIC  Life Insurance Corporation of India
LUB  Laghu Udyog Bharati
MOOWES  Marketing Organisation of Women Entrepreneurs (Regd.) Madras
NABARD  National Bank for Agriculture and Rural Development
NAYE  National Alliance of Young Entrepreneurs
NEDFI  National Entrepreneurship Development Financial Institutions
NGO  Non Governmental Organisation
NIA  New India Assurance Company Ltd.
NIC  National Insurance Corporation
NRCW  The National Resource Centre for Women
NSIC  National Small Industries Corporation
OIC  Oriental Insurance Company Ltd.
PHDCCI  PHD Chamber of Commerce and Industry
PMRY  Prime Minister’s Rozgar Yojana
SEWA  Self Employed Women’s Association
SIDC  State Industrial Development Corporation
SIDCO  Small Industries Development Corporation Ltd.
SISI  Small Industries Service Institute
SEU  Socio Economic Unit Foundation
SEWA  Self- Employed Women’s Association
SFC  State Financial Corporation
SGSY  Swarnajayanti Grama Swarosgar Yojana
SHG  Self- Help Group
SIDBI  Small Industries Development Bank of India
SIPCOT  State Industries Promotion Corporation of Tamil Nadu Ltd.
SJSRY  Swarna Jayanti Shahari Rozgar Yojana
SME  Small and Medium Enterprises
SSI  Small Scale Industry
SSSBE  Small Scale Service and Business Enterprises
STEP  The Support for Training and Emolyment Programme
TACID  Tamil Nadu Corporation for Industrial Infrastructure Development Ltd.
TAICO  Tamil Nadu Industrial Cooperative Bank Limited
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<td>TANSIDCO</td>
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Chapter 1

WOMEN ENTREPRENEURSHIP: A PROFILE

Entrepreneurship plays an imperative role in the growth of any society. Development of entrepreneurship culture and qualitative business development services are the major requirements for industrial growth. Entrepreneurship emerges from an individual’s creative spirit into long-term business ownership, employment creation, capital formation and economic security. Entrepreneurial skills are essential for industrialisation and for alleviation of mass unemployment and poverty.

As technology speeds up lives, women are an emerging economic force, which cannot be neglected by the policy makers. The world’s modern democratic economy depends on the participation of both sexes. Irene Natividad has observed that “Global markets and women are not often used in the same sentence, but increasingly, statistics show that women have economic clout-most visibly as entrepreneurs and most powerfully as consumers”1. Today, women in advanced market economies own more than 25 per cent of all businesses and women-owned businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly. In some regions of the world, transformation

to market economy, women entrepreneurs is a growing trend\textsuperscript{2}. However, in India, the actual participation of women in income generating activities is quite unsatisfactory, only eight per cent of the small scale-manufacturing units are owned and operated by women\textsuperscript{3}.

1.1 Concept of Women Entrepreneurship

Entrepreneurship is an economic activity which is undertaken by an individual or group of individuals. Entrepreneurship can be defined as the making of a “new combination” of already existing materials and forces; that entrepreneurship throws up as innovations, as opposed to inventions and that no one is entrepreneur for ever, only when he or she is actually doing the innovative activity\textsuperscript{4}.

Women entrepreneurship is the process where women organise all the factors of production, undertake risks, and provide employment to others. The definition of women entrepreneurship has never been differentiated on the basis of sex and hence could be extended to women entrepreneurs without any restrictions.

According to Medha Dubhashi Vinze, a woman entrepreneur is a person who is an enterprising individual with an eye for opportunities and an

\begin{enumerate}
\end{enumerate}
uncanny vision, commercial acumen, with tremendous perseverance and above all a person who is willing to take risks with the unknown because of the adventurous spirit she possesses.5

Thus, a woman entrepreneur is one who starts business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise.6

1.2 Evolution of Women Entrepreneurship

Although women form a very large proportion of the self-employed group, their work is often not recognised as “work”. The prevailing ‘household strategy’ catalyses the devaluation of women’s productive activities as secondary and subordinate to men’s work. Women’s contributions vary according to the structure, needs, customs and attitudes of society. Women entered entrepreneurial activities because of poor economic conditions, high unemployment rates and divorce catapult. In Babylonia, about 200 B.C., women were permitted to engage in business and to work as scribes. By 14th century, in England and France, women were frequently accepted on a par

with men as carpenters, saddlers, barbers, tailors and spurriers. Dressmaking and lace making guilds were competed more with men for some jobs, but were concentrated primarily in textile mills and clothing factories. In 1950, women made up nearly 25 per cent of both industrial and service sectors of the developing countries. In 1980, it increased to 28 per cent and 31 per cent respectively. Meanwhile, in 1950, 53 per cent of females and 65 per cent of males of industrialised countries were in non-agricultural sectors.

As a result of the economic crisis of the 1980s and the commercialisation and modernisation of the economy, women lost employment in agriculture and industries. This pushed women in urban areas to find out a suitable solution for generating income, which resulted in the emergence of self-employment, largely in micro-businesses in the informal sector.

1.3 Importance of Women Entrepreneurship

Women perform an important role in building the real backbone of a nation’s economy. There is considerable entrepreneurial talent among women. Many women’s domestic skills such as people and time management and household budgeting are directly transferable in the business context. Women have the ability to balance different tasks and priorities and tend to find

satisfaction and success in and from building relationships with customers and employees, in having control of their own destiny, and in doing something that they consider worthwhile. They have the potential and the will to establish and manage enterprises of their own. These qualities and strengths of women are to be tapped for productive channels. But simultaneous creation and development of small business among women is a difficult task. According to Brady Anderson J., “Even though women’s contributions to business are one of the major engines of global economic growth, too often, women do not have access to basic business education, commercial credit and marketing opportunities ……” 10. Maintenance of proper quantitative balance among various economic activities is one of the principal functions of the economic system, which should operate to give equal freedom of choice to men and women.

The process of economic development would be incomplete and lopsided, unless women are fully involved in it. The orientation of a society as a whole, regarding desirability that women should play an equal part in the country’s development, is a very important precondition for the advancement not only of women, but the country as a whole. The highest national priority must be for the unleashing of woman power which is the single most important source of societal energy. Women entrepreneurs should be regarded as

individuals who take up roles in which they would like to adjust their family and society, economic performance and personal requirements. “Emancipation of women is an essential prerequisite for economic development and social progress of the nations”

In the closing years of the 21st century, multi-skilled, productive and innovative women entrepreneurs are inextricable for achieving sustained economic growth. Globalisation of industrial production and economic interdependence have become the torch-bearers for all international co-operations. In the dynamic world which is experiencing the effects of globalisation, privatisation and liberalisation, women entrepreneurs are likely to become an even more important part of the global quest for sustained economic growth and social development. The economic status of woman is now accepted as an indication of the society’s stage of development. Women (especially rural women) are vital development agents who can play a significant role in the economic development of a nation, but they should have an equal access to productive resources, opportunities and public services. It has also been realised in the last few years that the widespread poverty and stunted economic growth can be overcome only by gainful and sustainable economic participation of women. National development will be sluggish, if the economic

engine operates only at half power. Women in Enterprise Building has emerged as an agenda for many policy makers, researchers, and trainers and as well as for associations and organisations involved in women development. If women acquire skills, they can carve a niche for themselves in the outside world too. This is the reason why women entrepreneurship development has become a subject of great concern and serious discussion in recent times.

1.4 Women Entrepreneurship in India

Women entrepreneurship in India represents a group of women who have broken away from the beaten track and are exploring new vistas of economic participation. Women in India entered business due to pull and push factors. Their task has been full of challenges. In spite of the family opposition, many women have proved themselves independent and successful entrepreneurs. The emergence of women entrepreneurs and women-owned firms and their significant contributions to the economy are visible in India and these businesses are ready for continued growth in the future. In India, women constitute half of the total population (495.74 million), but their participation in economic activity is very low. The Female Work Participation Rate was 25.7 percent in 2001.

In India, women are relatively powerless with little or no control over resources and little decision making power. Women in the informal sector

are found to be home-based workers, engaged in the petty manufacture of goods, either on piece rate basis or on own account, petty traders and petty shopkeepers or service specialists. Studies reveal that 89 per cent of India’s women workers toil in the informal sectors in sub-human conditions. Over 2/3 of the enterprises are self owned and have a fixed capital of less than Rs.50/- . Over 4/5 of the women workers in this sector earn less than Rs.500/-p.m. The income earned by women in this sector is said to be about $\frac{1}{4}$ of that of a woman in the organised sector”$^{13}$.

Nowadays women are well-educated with technical and professional qualifications. Many of them have medical, management and similar degrees and diplomas. Many entered their family business as equal partners. Women set up their own clinics or nursing homes, small boutiques, small manufacturing enterprises and entered garment exports. They have their own personal choices and the courage to undertake new ventures. However, many have to face family antipathy and do not get adequate support from their family.

1.4.1 Evolution of Women Entrepreneurship in India

In India, women’s participation in economic activity is common from time immemorial. The role of women has gone through several transitions. It took centuries for women’s roles to move in the present direction. There are some regions where women live in a barbarian era, chained and shackled to the social taboos, restrictions and lakshmanarekhas of others who frame a code

of conduct. At the same time there are other regions where women fight for and win freedom and opportunity to play their roles in a new context with new occupations and a new way of life.

As regards the ancient industries of India, family was the unit of production where women played an important role in the production process. Even in Mohenjodaro and Harappa culture, women shared a responsible position with men and helped in spinning and clay modelling and other simple arts and crafts. Women played a very pivotal role in creating household utility requirements and agricultural activities and weaving during the Vedic Period. In the traditional economy, they played vital roles in agriculture industry and services. They were the makers of intoxicant soma-juice, a skilful task. In the 18th century, women had a significant role in economy and a definite status in the social structure. Women’s informal trading activities in the international distribution system have been well documented since early 1950s. Since 1970 systematic efforts have been made by the Government to promote self-employment among women. Women entrepreneurship in India became popular in the late 1970s and now more and more women are emerging as entrepreneurs in all kinds of economic activities.

According to the 1971 Census, the total female working population is about 13.8 per cent of the total work force. It was only from Fifth Five Year Plan (1974-78) onwards that women’s development was recognised as an identified sector. 1980s provided the real breakthrough for women in many

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fields and many frontiers. During the 1990s, women were capable, competent, confident and assertive and had a clear idea about the ventures to be undertaken and they succeeded in them. Many women entered large-scale enterprises of their parents or husbands and proved their competence and capabilities. Women acquired high self-esteem and the capability of solving the problems independently through economic independence.

In the 21st century women are becoming experts in all the fields. With the growing awareness about business and the spread of education, they have entered new areas such as engineering, electronics and energy and acquired expertise in these fields. Many of the new industries are headed and guided by women. However, in India a large number of highly educated women do not seek employment. Marriage and family have always been the first choice for most Indian women. Female role prescriptions have created mind blocks. Men are more likely to engage in entrepreneurial activities. The number of men in autonomous start-up category is twice that of women, thrice in the category of manageresses.

1.4.2 Organisations Promoting Women Entrepreneurship in India

i. National Resource Centre for Women (NRCW)

An autonomous body set up under the National Commission for Women Act, 1990 to orient and sensitise policy planners towards women’s

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issues, facilitating leadership training and creating a national database in the field of women’s development.

**ii. Women’s India Trust (WIT)**

WIT is a charitable organisation established in 1968 to develop skills of women and to earn a regular income by providing training and employment opportunities to the needy and unskilled women of all communities in and around Mumbai.

**iii. Women Development Corporation (WDC)**

WDCs were set up in 1986 to create sustained income generating activities for women to provide better employment avenues for women so as to make them economically independent and self-reliant.

**iv. Development of Women and Children in Urban Area (DWCUA)**

DWCUA was introduced in 1997 to organise the urban poor among women in socio-economic self-employment activity groups with the dual objective of providing self-employment opportunities and social strength to them.

**v. Association of Women Entrepreneurs of Karnataka (AWAKE)**

AWAKE was constituted by a team of women entrepreneurs in Bangalore with a view to helping other women in different ways –to prepare project report, to secure finance, to choose and use a product, to deal with bureaucratic hassles, to tackle labour problems, etc.
vi. Working Women’s Forum (WWF)

WWF was founded in Chennai for the development of poor working women to rescue petty traders from the clutches of middlemen and to make them confident entrepreneurs in their own right. The beneficiaries are fisher women, lace makers, beedi making women, landless women, labourers and agarbathi workers.

vii. Association of Women Entrepreneurs of Small Scale Industries (AWESSI)

It was founded in Ambattur in Chennai in 1984 to promote, protect and encourage women entrepreneurs and their interests in South India to seek work and co-operate with the Central and State Government services and other Government agencies and to promote measures for the furtherance and protection of small-scale industries.

viii. Women’s Occupational Training Directorate

It organises regular skill training courses at basic, advanced and post advanced levels. There are 10 Regional Vocational Training Institutes (RVTIs) in different parts of the country, besides a National Vocational Training Institute (NVTI) at NOIDA.

ix. Aid The Weaker Trust (ATWT)

ATWT was constituted in Bangalore by a group of activists to impart training to women in printing. It is the only one in Asia. Its benefits are available to women all over Karnataka. It provides economic assistance and equips girls with expertise in various aspects of printing and building up self-confidence.
x. **Self-Employed Women’s Association (SEWA)**

SEWA is a trade union registered in 1972. It is an organisation of poor self-employed women workers. SEWA’s main goals are to organise women workers to obtain full employment and self-reliance.

xi. **Women Entrepreneurship of Maharashtra (WIMA)**

It was set up in 1985 with its head office in Pune to provide a forum for members and to help them sell their products. It also provides training to its members. It has established industrial estates in New Mumbai and Hadapsar.

xii. **Self-Help Group (SHG)**

An association of women, constituted mainly for the purpose of uplifting the women belonging to the Below Poverty Line (BPL) categories to the Above Poverty Line (APL) category. The major activities of the group are income generation programmes, informal banking, credit, unions, health, nutritional programmes, etc.

xiii. **The National Resource Centre for Women (NRCW)**

An autonomous body set up to orient and sensitise policy planners towards women’s issues, facilitating leadership training and creating a national database in the field of women’s development.

xiv. **Women Development Cells (WDC)**

In order to streamline gender development in banking and to have focused attention on coverage of women by banks, NABARD has been supporting setting up of Women Development Cells (WDCs) in Regional Rural Banks and Cooperative Banks.
1.4.3 Financial Institutions Assisting Women Entrepreneurship in India

For the past several years, financial institutions have been playing a pivotal role in giving financial assistance and consultancy services to women entrepreneurs. These institutions include: i) National Small Industries Corporation (NSIC), ii) All-India Development Banks (AIDBs), viz. IDBI, IFCI, ICICI, IIBI, IDFC and SIDBI, iii) Specialised Financial Institutions (SFIs), viz. Exim Bank and NABARD, iv) Investment Institutions, viz. LIC, GIC, NIC, NIA, OIC, UII and UTI, v) Regional/State-Level Institutions, viz. NEDFI, SIDCs and SFCs, vi) Commercial Banks, vii) Co-operative Banks, etc.

1.4.4 Participation of Women in SSI Sector in India

The participation of women in SSI sector has been identified in three different roles—as owners, as managers and as employees. As per the 1981 census, there were only 150000 self-employed women, accounting for 5.2 per cent of the total self-employed persons in India. There were more than 153260 women entrepreneurs claiming 9.01 per cent of the total 1.70 million entrepreneurs in 1988-89. As on 1995-96, the number of women entrepreneurs in the SSI sector was 297696 with a share of 11.2 per cent in the total SSI sector. As on 2001-2002 there were 1063721 women enterprises in the total SSI sector and their relative percentage to total SSI sector was 10.11. Kerala had the largest number of units managed by women (137561) and women

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enterprises (139225) followed by Tamil Nadu where the respective number is 130204 and 129711\textsuperscript{17}.

It is estimated that women entrepreneurs currently constitute about 10 per cent of the total number of entrepreneurs in India and the percentage is growing every year. If the prevailing trends continue, it is likely that in another five years, women will constitute 20 per cent of the entrepreneurial force\textsuperscript{18}.

As per the Third All India Census of SSI-2004 (given in Table 1.1) the percentage of women enterprises was more than the percentage of units managed by women. Again, the number of women enterprises in the unregistered sector was more than the number of women enterprises in the registered SSI sector. Similar was the case in the number of units managed by women.

### Table 1.1
Participation of Women in SSI Sector in India - Third All India Census-2004 (Reference Period 2001-02)

<table>
<thead>
<tr>
<th>Size of the sector</th>
<th>Total SSI sector</th>
<th>No.of women enterprise</th>
<th>Percentage</th>
<th>No. of units managed by women</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regd. SSI sector</td>
<td>1374974</td>
<td>137534</td>
<td>10.1</td>
<td>114361</td>
<td>8.32</td>
</tr>
<tr>
<td>Un regd. SSI sector</td>
<td>9146216</td>
<td>926187</td>
<td>10.13</td>
<td>880780</td>
<td>9.63</td>
</tr>
<tr>
<td>Total</td>
<td>10521190</td>
<td>1063721</td>
<td>10.11</td>
<td>995141</td>
<td>9.46</td>
</tr>
</tbody>
</table>


\textsuperscript{17} Third All India Census of SSI, \textit{Ministry of Small Scale Industries}, Government of India, New Delhi, 2004.

1.4.5 Principal Characteristics of Women-managed SSI Units in India

The principal characteristics of women-managed SSI units in India as per the Third All India Census of SSI- 2004 (given in Table 1.2) show that the share of women-managed units in the total SSI sector in terms of number of units (9.46%) and employment (7.14%) was higher than that of their share in other aspects, viz. original value of plant and machinery (4.11%), market value of fixed assets (4.63%), gross output (3.46%) and exports (2.37%). The share of women-managed units in the unregistered SSI sector in terms of number of units, employment, original value of plant and machinery, market value of fixed assets and gross output are higher than that of the registered SSI sector.

Table 1.2
Principal Characteristics of Women-managed SSI Units in India - Third All India Census-2004 (Reference Period 2001-02)

<table>
<thead>
<tr>
<th>Units managed by women</th>
<th>No. of units</th>
<th>Employment</th>
<th>Original value of plant &amp; machinery (Rs.in crores)</th>
<th>Market value of fixed assets (Rs.in crores)</th>
<th>Gross output (Rs.in crores)</th>
<th>Exports (Rs.in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered SSI sector</td>
<td>114361</td>
<td>349342</td>
<td>11047.85</td>
<td>3362.46</td>
<td>6031.68</td>
<td>331.48</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>8.32</td>
<td>5.67</td>
<td>3.64</td>
<td>3.66</td>
<td>2.97</td>
<td>2.69</td>
</tr>
<tr>
<td>Unregistered SSI sector</td>
<td>880780</td>
<td>1429962</td>
<td>1149.61</td>
<td>3776.33</td>
<td>3732.48</td>
<td>5.38</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>9.63</td>
<td>7.62</td>
<td>4.68</td>
<td>6.04</td>
<td>4.72</td>
<td>0.28</td>
</tr>
<tr>
<td>Total SSI sector</td>
<td>995142</td>
<td>1779304</td>
<td>2254.40</td>
<td>7138.80</td>
<td>9764.17</td>
<td>336.86</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>9.46</td>
<td>7.14</td>
<td>4.11</td>
<td>4.63</td>
<td>3.46</td>
<td>2.37</td>
</tr>
</tbody>
</table>


1.5 Women Entrepreneurship in Kerala

Kerala presents a positive picture as far as women’s development is concerned. The statistical data also show that the number of women SSI units
is increasing every year. Even though women entrepreneurs in Kerala have essential education, they are not outstanding in their role as entrepreneurs, as the majority of them undertake less risky ventures. According to Soosy George Isaac, President of All Kerala Women’s Industries Association, nowadays, women entrepreneurs are neither hard working nor willing to take risk which the women entrepreneurs of the previous generation took. Previously, most of the women entrepreneurs were engaged in some kind of manufacturing activities. Today, most of the enterprises set up by women entrepreneurs are of simple consumer products, like ready made garments, food products, toys, handicrafts or are in the service sector, such as X-rays, clinic, tailoring, beauty parlours, data processing, advertising, departmental stores and photo-copying. Only a few have entered steel furniture, electronics, plastics and other industries that require higher technology and innovative production process. “Although the women of Kerala possess some personality traits necessary for successful entrepreneurship, they lack the critical factors necessary for entrepreneurship, like the ability to take risk, self-dependence, an experimental nature and innovativeness”\textsuperscript{19}.

On the other side, in Kerala, entrepreneurs do not have a suitable entrepreneurial environment. Inadequate infrastructure facilities, existence of bureaucracy, etc. are some of the common problems faced by them. Rajula Chandran and R. Thiagarajan (2005)\textsuperscript{20} observed that the studies carried out in

\textsuperscript{19} www.tribuneindia.com.

the field of agriculture indicated that in spite of the key role of women in crop husbandry, fisheries, animal husbandry and so on, those who formulated a package of technologies, services and public policies for rural areas had neglected the productive role of women.

1.5.1 Evolution of Women Entrepreneurship in Kerala

Kerala, being a 100 per cent literate State, has made significant progress in the area of social development but the performance in the industrial sector has not been keeping pace with the potential of the State. In Kerala, despite a high social capability (high literacy rates and good health status) women are economically dependent because of historical subordination. In the earlier period, the low caste women were the most massive work force in Travancore, Cochin and Malabar regions and were engaged mainly in the agricultural sector. British rule provided remunerative employment for women in rubber, tea, coffee and spices cultivation. It spread to coir, fishing industries, cashew, handloom and different sectors of construction activities, shop assistants, home nursing, hospital services, teaching, etc. Now the trend has changed. Their activities range from tailoring units to hi-tech IT centers.

1.5.2 Organisations Promoting Women Entrepreneurship in Kerala

i. Socio Economic Unit Foundation (SEU)

SEU foundation was started in 1996 in Thiruvananthapuram. Issues and areas covered by SEU are water and sanitation, capacity building, women’s empowerment, supporting women’s skill development through training.
ii. Centre for Collective Learning and Action (SAHAYI)

SAHAYI has been working since 1990 towards capacity building of women collectives in Kerala. It also provides short-term entrepreneurship development training to women collectives.

iii. Kerala State Women’s Development Corporation (KSWDC)

KSWDC is a public sector undertaking formed for the development of women and registered in 1988 under the Companies Act. It provides self-employment loans, employment based training, loans to mahila samajams and co-operative societies, etc.

iv. Self Employed Women’s Association (SEWA)

SEWA was established in 1986 and registered under the Charitable Societies Act. It is a membership-based organisation. The increasing marginalisation of women from their traditional occupation like fish vending and reed work was creating several problems, specially related to the sustenance of their families, which motivated the inception of SEWA in Thiruvananthapuram.

v. Dalit Women’s Society (DWS)

DWS is a voluntary organisation started in the year 1992 at Kurichi in Kottayam district. It is the first women’s organisation which organised tuition programmes, self-employment programmes, workshop and computer training for dalit women.
vi. Women’s Endeavour

Women’s Endeavour is a charitable society which was registered in Kochi on August 3, 2005 under the Charitable Societies Act for the social, educational and economic uplift of women through proper channel by conducting seminars, meetings, workshops and legal debates for the members.

vii. Kerala State Women’s Industries Association (KSWIA)

KSWIA is an association of women entrepreneurs in Kerala, which was formed in 1980 for the promotion of women entrepreneurs. It safeguards the interests of its members and also provides a forum to discuss their common problems.

1.5.3 Financial Institutions Assisting Women Entrepreneurship in Kerala

In Kerala, Kerala State Industrial Development Corporation (KSIDC), Kerala Financial Corporation (KFC), Small Industries Development Bank of India (SIDBI), Regional Rural Banks, Co-operative Banks, Public Sector Banks, Private Sector Banks, etc. provide financial assistance to women entrepreneurs. Commercial banks not only provide financial assistance but also offer consultancy services to women entrepreneurs. Some branches of commercial banks (e.g. Canara Bank’s Mahila Banking Branch, Pattom, Thiruvananthapuram) act as a centre for the development of women, offering facilities such as a small library, credit-related counselling, guidance services and information about various schemes for women.

1.5.4 Participation of Women in SSI Sector in Kerala

The data maintained by the Directorate of Industries and Commerce, Government of Kerala, Thiruvananthapuram, reveal that the number of women’s
industrial units in Kerala is increasing every year. There has been a significant increase in the number of registered women SSI units in Kerala during 1996-2005. The number of SSI units registered in Kerala was 18469 in 1996. In 1997 the figure rose to 25310. In 1998, the number of units increased to 29976. It again increased to 34435 in 1999. The number of women SSI units as on 2000, 2001, 2002, 2003 and 2004 were 38364, 41669, 45985, 49101 and 50493 respectively. In 2005, the number of registered women SSI units increased about three times, compared with the women SSI units in 1996 and it was 51871.

The data relating to District-wise number of women SSI units registered in Kerala during 1996-2005 reveal that Kollam district (6775) had the highest number of registered women SSI units, followed by Thiruvananthapuram district (6224). Kasargod district had the lowest (899) during the year 2005 (District-wise number is given in Annexure-V).

The data relating to District-wise participation of women in management/ownership in the SSI sector in Kerala reveal that in the total SSI sector and in the unregistered SSI sector, Kasaragod district had the highest number of women enterprises and women-managed units and Kollam district had the lowest number of both women enterprises and women-managed units where no single unit was functioning in the unregistered SSI sector (District-wise participation list is given in Annexure-VI).

According to the Third All India Census of SSI-2004 (given in Table 1.3), in Kerala 22.44 per cent of the women enterprises and 19.70 per cent of women-managed units were in the registered sector and the corresponding percentage in unregistered sector was 34.74 and 35.51 respectively. A comparison of the percentage of women SSI units in Kerala (in the Total SSI sector) with that of All India level shows that the percentage of women enterprises and women-managed units in Kerala was three times that of the national average.

### Table 1.3

**Participation of Women in SSI Sector in Kerala - Third All India Census 2004 (Reference Period 2001-02)**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Regd. SSI sector</th>
<th>Un regd. SSI sector</th>
<th>Total SSI sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kerala</td>
<td>India</td>
<td>Kerala</td>
</tr>
<tr>
<td>Number</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>Women enterprises</td>
<td>32989</td>
<td>22.44</td>
<td>106236</td>
</tr>
<tr>
<td>Units managed by women</td>
<td>28960</td>
<td>19.70</td>
<td>108601</td>
</tr>
</tbody>
</table>


### 1.5.5 Principal Characteristics of Women-managed SSI Units in Kerala

The principal characteristics of women-managed units in Kerala as per the Third All India Census of SSI- 2004 (given in Table 1.4) show that the share of women-managed units in the total SSI sector in terms of number of units (30.38 %) and employment (23.76 %) was higher than their share in other aspects, viz. original value of plant and machinery (9.22%), market value of fixed assets (9.58%), gross output (7.71%) and exports (1.27%).
A comparison of Kerala’s performance, with regard to the characteristics of women-managed SSI units, with India reveals that Kerala’s share in the registered sector in terms of number of units (19.70 %) and employment (15.21 %) was much above the national average of 8.32 per cent (no. of units) and 5.67 per cent (employment). But in exports, its share (1.18 %) was much below the national average of 2.69 per cent.

Table 1.4
Principal Characteristics of Women-managed SSI Units in Kerala - Third All India Census -2004 (Reference Period 2001-02)

<table>
<thead>
<tr>
<th>Units managed by women</th>
<th>Number of units</th>
<th>Employment</th>
<th>Original value of plant &amp; machinery (Rs in crores)</th>
<th>Market value of fixed assets (Rs in crores)</th>
<th>Gross output (Rs in crores)</th>
<th>Exports (Rs in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regd. SSI Sector</td>
<td>28960.00</td>
<td>82149</td>
<td>125.95</td>
<td>378.42</td>
<td>367.80</td>
<td>8.69</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>19.70</td>
<td>125.21</td>
<td>7.69</td>
<td>7.66</td>
<td>5.70</td>
<td>1.18</td>
</tr>
<tr>
<td>Unregd. SSI sector</td>
<td>108601.00</td>
<td>182707.00</td>
<td>92.99</td>
<td>291.78</td>
<td>257.05</td>
<td>0.75</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>35.51</td>
<td>31.81</td>
<td>12.61</td>
<td>14.22</td>
<td>15.60</td>
<td>16.97</td>
</tr>
<tr>
<td>Total SSI sector</td>
<td>137561.00</td>
<td>264856.00</td>
<td>218.94</td>
<td>670.21</td>
<td>624.85</td>
<td>9.44</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>30.38</td>
<td>23.76</td>
<td>9.22</td>
<td>9.58</td>
<td>7.71</td>
<td>1.27</td>
</tr>
</tbody>
</table>


1.6 Women Entrepreneurship in Tamil Nadu

Traditionally, Tamil Nadu is one of the well-developed States in terms of industrial development. In the post-liberalisation era, Tamil Nadu has emerged as one of the front-runners, by attracting a large number of investment proposals. It has been ranked as the third largest economy in India. But the Government’s efforts come only from 1970 onwards for the promotion of self-employment among women.
In Tamil Nadu each city has its own set of products that are manufactured by women entrepreneurs using indigenous skills. Most of these products are made with locally available materials and the skills available in production are seldom found in other cities. Though traditional activities like production and sale of domestic items such as garments have been taken up by women since long, entrepreneurship on the modern lines has been found in industry and trade and service concerns only for the last one decade or so.

The modern Tamil Nadu woman is different from the housewife of the past, to whom selling or running a business carried a stigma which she found difficult to shake off. Women entrepreneurs in Tamil Nadu possess organisational abilities, marketing skills, entrepreneurial skills and efficiency and novel ideas. Many women have vaulted the barriers of conditioning and reaped the rewards of a globalising economy. According to Lakshmi V. Venkatesan, Founder Trustee of Bharatiya Yuva Shakthi Trust (BYST), “Women in Tamil Nadu are the best entrepreneurs in the country; they have shown that they could make excellent entrepreneurs if they get support by way of finance and guidance”.

However, the manager of Indian Overseas Bank, (SSI Branch), Guindy, Chennai is of the opinion that most of the women entrepreneurs prefer to start business in the service sector with minimum risk and efforts. They are not

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interested in any kind of manufacturing activities. According to Laxmi Narasimhan, Regional Manager, Indian Overseas Bank, Madurai, urban women have good ideas about business; the success rate is very high, whereas the success rate of individual woman in semi-urban areas is much less, i.e., 20 to 30 per cent. In rural areas, the relative percentage is only 10. In rural areas, individual woman is not successful, since she does not have any idea about the business. Women are successful when they undertake group activities like Self Help Group (SHG), since they get very good awareness from it about the Government agencies, financial institutions, their schemes and opportunity to utilise these facilities. Family support is the main criterion for running business. Otherwise, women can run business only at micro finance level.

1.6.1 Evolution of Women Entrepreneurship in Tamil Nadu

In most parts of Tamil Nadu, women occupied a very low status in medieval and early modern society in the Madras Presidency. Lack of educational facilities, child marriages, prohibition of widow remarriages, prevalence of Devadasi system, etc. were some of the social factors responsible for the low status and misery of women who were reduced to the position of glorified slaves. Social barriers, imposition of taboos and female ignorance reigned supreme. The heavy industrialisation and urbanisation in the State made significant development in the areas of women’s empowerment and social development.
In Tamil Nadu, women were engaged more in agriculture than in manufacturing or services. In the manufacturing sector, women worked as beedi workers and as manual labour for cotton textiles, fish, and food processing and match industry. A few were involved in the manufacturing of electronic and electrical goods.

In a traditionally conservative society like Tamil Nadu, risk-aversion was common. Women were a further step behind the average man, having to contend with gender barriers in financial institutions, discouragement in families, lower levels of education and confidence. The position of rural women in the State has remarkably changed with the formation of SHGs, which started on an experimental basis in 1989 in the rural areas. It helped poor rural women to enter the entrepreneurial world and it also helped them to develop self-confidence, communication, courage, independence, mobility, management and technical skills. Assisted by some NGOs and with a little Government support, this movement gained momentum and developed into strong local institutions. They provided legitimate avenues for social mobilisation with access to inputs, such as training, banking services, Government services, etc. Most of them in the informal sector are now running micro enterprises or home-based production units such as basket making, mat weaving, beedi making, lace making and the production of agarbathi, candles, garments, telephone mats, handicrafts,
paper dice, ink, soaps, washing powder, snacks, fruit juices, pickles, jams squash, vattal, etc.

1.6.2 Organisations Promoting Women Entrepreneurship in Tamil Nadu

i. The Integrated Women Development Institute

The institute was set up in 1989 to uplift women and girl children from the distressing situations they encounter, by setting up income generating programmes for deserving women to become self-employed.

ii. The Tamil Nadu Corporation for Development of Women Ltd.

The corporation was set up on December 9, 1983 under the Companies Act, 1956 to focus on empowerment of women to encourage entrepreneurship among women, to identify trade and industries suitable for women, to undertake marketing activities for products manufactured by women and encourage women to form SHGs through giving training and extending credit facilities.

iii. Women Entrepreneurship Promotional Association (WEPA)

WEPA functioning in Chennai is an association of women entrepreneurs, providing training to women in various fields. The association also conducts exhibitions for the members and assists in marketing of the products of members.

iv. Marketing Organisation of Women Entrepreneurs (Regd.) (MOOWES)

MOOWES provides comprehensive support to women entrepreneurs to achieve success in the business. Its main aim is to aid women in marketing
their products through exhibitions and thus provide an opportunity to tour the country also.

1.6.3 Financial Institutions Assisting Women Entrepreneurship in Tamil Nadu

In Tamil Nadu, Tamil Nadu Industrial Cooperative Bank Limited, Tamil Nadu Industrial Investment Corporation (TIIC), Tamil Nadu Adi Dravidar Housing Development Corporation (TAHDCO), Regional Rural Banks, Public Sector Banks, Private Sector Banks, etc. provide financial assistance to women entrepreneurs. In Tamil Nadu there are 36 specialised SSI commercial bank branches functioning in different places. Some banks (e.g. Indian Overseas Bank, Egmore, Chennai) have a Mahila Banking Branch which is meant mainly for women and managed by women.

1.6.4 Participation of Women in SSI Sector in Tamil Nadu

The available data relating to participation of women in Tamil Nadu in the SSI sector show that their number has increased significantly in recent years. According to the Second All India Census (1987-88) the percentage of women in the registered SSI sector was 12.97 and it increased to 13.33 per cent in 2001-2002. R. Natarajan, Special Officer for women entrepreneurship in the Department of Industries and Commerce, Chennai, pointed to the success that women in Tamil Nadu had achieved after venturing into the world of manufacture and business.
Out of the 2.7 lakh registered SSIs in the State, 36000 are run by women\textsuperscript{24}. The data relating to district-wise women SSI units registered as on 31-3-2004 and 31-3-2005 obtained from the Department of Industries and Commerce, reveal that Cuddalore district had the maximum number of registered women SSI units during 2004 (7738) and 2005 (7985) (The district-wise number is given in Annexure-VII). Again, the number of women enterprises in the SSI sector was the highest in Kancheepuram district and the lowest in the Nilgiris district. Similarly, the number of women-managed units in the SSI sector was the highest in Salem district and the lowest in the Nilgiris district (The district–wise participation list is given in Annexure-VIII).

According to the Third All India Census of SSI-2004 (given in Table 1.5) in Tamil Nadu 14.83 per cent of the women enterprises and 13.33 per cent of women-managed units were in registered SSI sector and the corresponding percentage in unregistered sector was 16.96 and 17.48 respectively. A comparison of the percentage of women SSI units in Tamil Nadu (in the total SSI sector) with that of all India level shows that the percentage of women enterprises and women-managed units in Tamil Nadu was much above the national average.

Table 1.5
Participation of Women in SSI Sector in Tamil Nadu - Third All India Census- 2004 (Reference Period 2001-02)

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Regd. SSI sector Tamil Nadu</th>
<th>Regd. SSI sector India</th>
<th>Unregd. SSI sector Tamil Nadu</th>
<th>Unregd. SSI sector India</th>
<th>Total SSI sector Tamil Nadu</th>
<th>Total SSI sector India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women enterprises</td>
<td>26604 14.83 %</td>
<td>10.1</td>
<td>103107 16.96 %</td>
<td>8.32</td>
<td>129711 16.48 %</td>
<td>10.11</td>
</tr>
<tr>
<td>Units managed by women</td>
<td>23907 13.33 %</td>
<td>10.13</td>
<td>106297 17.48 %</td>
<td>9.63</td>
<td>130204 16.54 %</td>
<td>9.46</td>
</tr>
</tbody>
</table>


1.6.5 Principal Characteristics of Women-managed SSI Units in Tamil Nadu

The principal characteristics of women-managed units (in the registered SSI sector) in Tamil Nadu as per the Third All India Census of SSI-2004 (given in Table 1.6) show that the share of women-managed units in terms of the number of units (13.33 %) and employment (6.62 %) were higher than their share in other aspects, viz. original value of plant and machinery (4.14%), market value of fixed assets (4.27%), gross output (3.44 %) and exports (2.57%).

A comparison of Tamil Nadu’s performance, with regard to the characteristics of women-managed SSI units with India, reveals that Tamil Nadu’s share in the registered sector in terms of number of units (13.33 %) and employment (6.62 %) was above the national average of 8.32 per cent (number of units) and 5.67 per cent (employment). But in exports, its share (2.57%) was marginally lower than the national average of 2.69 per cent.
Table 1.6
Principal Characteristics of Women-managed SSI Units in Tamil Nadu -
Third All India Census - 2004 (Reference Period 2001-02)

<table>
<thead>
<tr>
<th>Units managed by women</th>
<th>Number of units</th>
<th>Employment</th>
<th>Original value of plant &amp; machinery (Rs in crores)</th>
<th>Market value of fixed assets (Rs in crores)</th>
<th>Gross output (Rs in crores)</th>
<th>Exports (Rs in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regd. SSI Sector</td>
<td>23907</td>
<td>58156.567</td>
<td>11817.63</td>
<td>32022.438</td>
<td>79498.812</td>
<td>5638.5286</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>13.33</td>
<td>6.62</td>
<td>4.14</td>
<td>4.27</td>
<td>3.44</td>
<td>2.57</td>
</tr>
</tbody>
</table>


CONCLUSION

The participation of women in the SSI sector in India, Kerala and Tamil Nadu shows an increasing trend over the years. The survey results show that the percentage of women entrepreneurs to total SSI sector was only 5.12 in 1981 which increased to 11.2 in 1995-96. According to the Third All India Census of SSI - 2004, the percentage of women enterprises in the total SSI sector was 10.11 and the percentage of units actually managed by women was 9.46. A comparison of the percentage of women SSI units in Tamil Nadu and Kerala with that of India reveals that the percentage of women enterprises and women-managed units in both these States was much above the national average. Further, Kerala stands first and Tamil Nadu ranks second among other Indian States with regard to this aspect. In Tamil Nadu the women-managed units outnumber the women enterprises. But their relative share in exports is very low. While comparing the percentage of women enterprises (30.75%) and women-managed units (30.38%) with the total SSI sector of Kerala, both are higher than that of Tamil Nadu where the corresponding share was 16.48 per cent and 16.54 per cent respectively. Even though women in Kerala have established a firm foothold in literacy and social status and greater share in the
total SSI sector in terms of the number of units, the entrepreneurial atmosphere in Kerala is not favouring them to flourish and grow. In Tamil Nadu, where the women enjoy a lower status, but have a favourable entrepreneurial atmosphere the situation is different. Though the Central and State Governments have implemented different measures for the development of women, an integrated approach from the Governments, their agencies and non-governmental organisations is still lacking, which is a must for enhancing the active participation of women in entrepreneurship.
Chapter 2

REVIEW OF LITERATURE

There is a growing interest in entrepreneurship, particularly women entrepreneurship, the world over. A number of studies have been undertaken in other countries as well as in India to investigate the various aspects of women entrepreneurship. These studies clearly indicate that women entrepreneurship is indispensable for the overall development of the nation.

2.1 Studies on Women Entrepreneurship in Other Countries

Several studies conducted in the West have highlighted the different aspects of women entrepreneurship. The core area covered by individual researchers and institutions includes: reasons for women entrepreneurship, characteristics and status of women entrepreneurs, scope of activities of women entrepreneurs, involvement of various agencies in the development of women entrepreneurship and problems of women entrepreneurs.

2.1.1 Reasons for Women Entrepreneurship

Schwartz (1979)\(^1\) in an exploratory study of 20 female entrepreneurs found that their prime motivations for starting a business were the need to

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achieve, the desire to be independent, the need for job satisfaction, and economic necessity.

Sinfield (1981)\(^2\) observed that with high levels of long-term unemployment in various ‘female sectors’ of the economy, proprietorship is becoming an important means of employment for many women.

Goffee and Scase (1983)\(^3\) feel that those women who are economically marginalised because of the lack of opportunities for paid employment may have no option but to start their own businesses as a source of earnings.

Huntley (1985)\(^4\) used a case study approach to explore the life events and experiences that had influenced women to choose entrepreneurship as a career alternative. Most ventured into entrepreneurship because of a desire to be independent and to be in control of their lives. They defined their own measurement of success, i.e. succumbing to social expectations and definitions. They were looking for a balance of personal and professional interests and admitted to career satisfaction which transcended other aspects of their lives.


Shane, Kolvereid and Westhead (1991) observed that women were driven by entrepreneurship more by the need for achievement than by monetary reasons.

Allen and Truman (1999) pointed out that the alternative options in the mainstream labour market could be very limiting for women while entrepreneurship may be a positive escape route.

Shaver, Gartner and Gatewood (1995) stated that ‘Women decide to become entrepreneurs for such reasons as self-fulfillment and as a way to actualise personal goals that focus on family’.

Meanwhile, Morrison, White and Van Velsor (1987) who had a different view about the reason for women entrepreneurship, observed that in the West, women were increasingly turning to entrepreneurship as a way of coping with the ‘glass ceiling’ that seems to prevent them from reaching top managerial positions in organisation.
2.1.2 Characteristics and Status of Women Entrepreneurs

Swatko (1981)\textsuperscript{9} found that non-traditional females preferred enterprising vocations and aspired for occupations employing a greater percentage of males than traditional females. But, Peter Berger and Richard J. Neuhas (1978)\textsuperscript{10} in their study ‘The Role of Small Business’ have stated that when the business women have been organised by voluntary organisations in such countries as India and the Philippines, they have developed leadership and other skills of great value to their families and their communities. In the search for social and economic equity it may well be these organised businesswomen who will be the impetus for change.

Aldrich and Sakano (1995)\textsuperscript{11} in a study of five industrial nations in the late 1980s have found that men simply do not include women in their business advisory circles, only 10 per cent of the people mentioned by men as being relied upon for advice and assistance were women. Nearly 40 per cent of the advisor networks of women business owners were women. Thus, men were involved in mainly same–sex networks, dealing almost entirely with other men, whereas women were involved in mainly cross-sex networks, dealing mostly with men, but with a high proportion of women as well.

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Alsos and Ljunggren (1998) and Ljunggren (1999)\(^\text{12}\) have identified the following differences between men and women in connection with their initial deliberations on establishing a self-owned enterprise. In the survey, the persons were observed for 12 months up to the start of the enterprise. No significant differences were found between women’s and men’s activities when weighing the reasons for and against the establishment of an enterprise. Women were slightly more active in asking for loans from public sources. The total decision-making process from the time when the idea was conceived to the time when the project was started was almost the same for men and women. The women spent longer periods of time between each step and activity in the decision-taking. The women prepared a business plan and started marketing much later in the process than the men – but they applied for loans much earlier than the men. The women were less willing than the men to engage staff.

Aurora (formerly Busygirl) and Korn Ferry / Future Step conducted a research study on ‘Vanishing talent: Risk, reward and recognition’ (2002)\(^\text{13}\) by taking a sample of 350 + UK executives to find out if more women than men were leaving corporate organisations for entrepreneurial ventures, and if so, what choices they were making about women’s views on corporate life and entrepreneurial ventures. Across the findings, women heavily sought recognition, reward and re-invention. The research indicates that women enjoy

\(^{12}\) www.ebst.dk/publikationer

\(^{13}\) www.auroravoice.com
calling the shots in business. Women who took the leap from corporate life to start a business venture say they are extremely satisfied. They found that 99 per cent of women entrepreneurs cite being able to fulfill their personal vision as extremely rewarding while for men it is a combination of time for family, recognition for accomplishments, taking risks without repercussions, and not needing to fit in. However 85 per cent men and 88 per cent women cite the `lack of a benefits package’ as a less satisfying aspect of leaving corporate life to start their own business. Other top reasons for both men and women entrepreneurs leaving corporate life are to take risk with new ideas and to test personal limits, and to have more strategic input into decisions. Men identify money as the second most popular reason to change jobs, along with opportunities for strategic input, whereas women rank it fifth, behind risk, recognition and spending more time with the family.

Palmer (1985)\textsuperscript{14} found that most assistance (credit, technical assistance and training) has been directed to men, or male dominated activities where the income generating activities of women have been ignored, they have often been seen, implicitly or explicitly, as having only marginal importance.

Mac Donald (1986)\textsuperscript{15} conducted a study to compare the perceptions of successful women entrepreneurs with those of the less successful ones. Conclusions drawn were: net profit is a factor of success in the opinion of

\textsuperscript{14} I. Palmer, \textit{The Impact of Agrarian Reform on Women, Women’s Role and Gender Differences in Development}, Monograph, No.6, West Hartford, Kumarian Press, 1985, p.55.

more successful women entrepreneurs and not in that of less successful ones, length of time in business is a prediction of success; both successful and less successful women entrepreneurs perceive the same traits and characteristics necessary for success; Having entrepreneurial parents does not influence the success of the women entrepreneurs.

Hisrich and Brush (1986)\textsuperscript{16} stated that in order to get a full picture of the personality and motivations of the women entrepreneurs, a comparison of entrepreneurial characteristics with those of the typical woman executive is a must. The person making a career as a company executive usually has experience or expertise in her specific area, is conservative, cautious, logical and averse to risk; these attributes are necessary for performing the more “custodial” tasks required within an organisation, such as controlling cash, people or assets. In contrast, the woman entrepreneur is an individualist, creative, enthusiastic, instinctive and adaptable. She must deal with very real and immediate problems like meeting payroll, hiring and firing employees and pacifying creditors often in the face of little cash, instability and few assets. An entrepreneur is not a cog in the wheel and cannot take the time to make lengthy studies or spend weeks seeking advice before making a decision. Her concern is for growth and creating assets. The rewards can be great both financially and psychologically, but the drawbacks can mean sacrifices personally, emotionally and financially. A high energy level is essential for the

women entrepreneurs’ need to inspire and motivate her employees. This calls for self-confidence, flexibility, persistence, independence and determination to succeed, etc.

Sextan and Kent (1981)\(^{17}\) reported the results of a study comparing the characteristics of female entrepreneurs and executives. The study was conducted on 45 female executives and 48 female entrepreneurs. The results show that female entrepreneurs are marginally less educated than female executives; though the younger female entrepreneurs are better educated, they tend to place slightly higher emphasis on their job than their family. The executives view their ability to work with people as the greatest factor of success, while the entrepreneurs tend to view hard work and persistence as more important. Entrepreneurs tend to follow their fathers who are engaged in business, although they do not acknowledge their fathers as role models. In contrast executives do not follow in their fathers’ footsteps. Executives tend to be older and have demonstrated more job stability than female entrepreneurs and executives tend to be more similar than dissimilar.

Hisrich and O’Brien (1982)\(^{18}\) studied how the characteristics of women entrepreneurs varied according to the type of business. Female entrepreneurs


in the non-traditional business areas (finance, insurance, manufacturing and construction) differed from their counterparts in more traditionally female business areas (retail and wholesale trade). The latter group had particular difficulty in gaining access to external financial sources - from banks, informal investors or venture capitalists.

Hisrich and Brush (1986)\(^\text{19}\) made a comparison of the motivations, business skills, occupational backgrounds and personality traits of male and female entrepreneurs from research evidence and data. They found that in some respects, women entrepreneurs possess very different motivations, business skill levels and occupational backgrounds which are very different from their male counterparts. The start-up process of a business for women entrepreneurs is also different from that of males, especially in terms of support systems, sources of funds and problems. Men are often motivated by the drive to control their own destinies to make things happen. In contrast, women tend to be motivated by a need for independence and achievement that results from the frustration they feel at not being allowed to perform in the job at the level they are capable of. Both men and women entrepreneurs feel that their best solution to these problems is to venture out alone. The typical woman entrepreneur resembles her male counterpart in most personality characteristics like being highly energetic, independent, competitive, self confident, perfectionist,

flexible, very goal-directed and generalist. However, women entrepreneurs see
themselves as only moderately social which probably reflects the view that
overly social behaviour can be detrimental to a woman’s business image.
Sociable woman is often considered less serious about her business, whereas
the sociable man is often considered just  good. Women entrepreneurs also
see themselves as far less anxious than their male counterparts, probably
because, unlike their male counterparts, they are not the sole support of the
family, and have both emotional and financial support from the spouse. Men,
however, have been found to be more confident and less flexible and tolerant
than women, which could result in different management styles.

Brydon and Chant (1989)\(^{20}\) observed that overall status, bargaining
position and income of women who are wage earners, self-employed traders,
artisans or farmers are higher than those of women who are confined to
domestic or subsistence activities. But even when women bear the costs and
risks of setting up an enterprise, they may not control the benefits. Thus, it is
not enough to increase the capacity of women to generate income; they must
also be able to control their returns and protect their sources of income and
assets.

Sundin and Holmquist (1988), Carter and Allen (1997)\(^{21}\) have
described the features of enterprises established by women. It is stated that in

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\(^{21}\) www.ebst.dk/publikationer
women-owned enterprises the management style is more feminine, participative and open in the internal communication, and with less hierarchy than in traditional enterprises. Women-owned enterprises are highly structured, built up formally, and planning oriented. It is also found that women-owned enterprises have other types of goals – including success goals – quite different from male-owned enterprises.

Epstein Scarrlett (1990)\textsuperscript{22} stated that female petty-entrepreneurs are reported by Metraux for the Meribal Valley, Haiti, where there are a large number of young girls or women who set up their stand along roads or paths, in a hut or at the foot of a tree, to sell thread, matches, candies, fruits, vegetable cereals, spices and tobacco.

Williamson (1986)\textsuperscript{23} conducted an indepth study of Joyce Eddy, a successful female entrepreneur, with the purpose of gathering biological material of a successful female entrepreneur to provide a role model for existing and would be female entrepreneurs. It is found that Joyce was successful, despite her shortcomings and in regard to personal characteristics and requirement often equaled entrepreneurial success. The study concluded that there is no formula for entrepreneurial success. But, Taylor (1988)\textsuperscript{24} in his

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study found that self-confidence and a drive for autonomy are the major part of the make-up of an entrepreneur. The drive for autonomy seems to be the common characteristic of all successful entrepreneurs, including women.

Marlow (1997)\textsuperscript{25} demonstrates that as a consequence of their background, Scandinavian women set up business in the service sector with little use of advanced technology, with relatively small preliminary expenses, relatively low prospects of income, and lower growth potential.

BT/Aurora women entrepreneurs and ICT research (2004)\textsuperscript{26} conducted an online survey researching their knowledge, usage and attitudes towards computers and technology over 2,000 women entrepreneurs. They found that female entrepreneurs are a tech savvy bunch. 66 per cent own a portable data device, 99 per cent know exactly what broadband is and what it can bring to their businesses. 28 per cent of women in business use friends, family and other women for their technology and telecom advice. 17 per cent women business owners use consultants, 17 per cent use the Internet, and 8 per cent use Business Link. 87 per cent of women surveyed said broadband would be vital to their business growth.

Tripp (1992)\textsuperscript{27} made a study in the United Republic of Tanzania about self-employment amongst women. It is revealed that there has been a tremendous increase in self-employment amongst women. The upper and middle

\textsuperscript{25} www.ebst.dk/publikationer.
\textsuperscript{26} www.auroravoice.com/research.asp.
\textsuperscript{27} Tripp, BRIDGE, Briefings on Development & Gender, Report No.15, p.29, Dec., 1993.
income groups of women working in this sector were earning up to ten times
the amount that lower income women were able to earn.

Centre for Women’s Business (2000)\(^\text{28}\) in a study pointed out that
in Washington DC –women-owned firms established within the past decade
are making substantial contributions to the economy and are poised for continued
growth in the future. They have reached the same level of business achievement
as women-owned firms started in the past, and are more likely to be oriented
toward future growth than their predecessors. Thirty-eight per cent of women
business owners who have started their firms within the past decade have already
achieved at least $500000 in annual revenues.

According to Nina McLemore, (2000)\(^\text{29}\) Chair of the Center for
Women’s Business Research and President of Regent Capital, ‘The new
generation of women entrepreneurs appears to be narrowing the business
revenue gap; it appears that among business started within the past decade,
there is no significant gender difference in the share of firms with $500000 or
more in revenues. Women-owned businesses established in the last decade are
making significant economic contributions, at the same overall level as their
predecessors.’

\(^\text{28}\) www.auroravoice.com

\(^\text{29}\) Nina McLemore, Center for Women’s Business Research, National Association of Women
Business Owners, Orange County Chapter P.O. Box 1714, Tustin, CA 92781, 2000.
Sharon Hadary (2004)\textsuperscript{30} gathered through the Center’s extensive research initiatives almost three-quarters of those who expanded their business achieved or exceeded their goals. Women-owned business with $1 million or more in revenues is more likely than smaller business owned by women to have large corporations and Government as their customers. Women-owned businesses are just as financially strong and creditworthy as the average US firm, with similar performance on bill payment and similar levels of credit risk, and are just as likely to remain in business.

2.1.3. Scope of Activities of Women Entrepreneurs

Hirata and Humphrey (1990)\textsuperscript{31} have found in their study that older married men with children tend to resist entering informal sector occupations and continue to aspire to formal sector jobs. This might be in quite separate spheres of women where there is no possibility of direct competition with them. Again, Jockes, (1991)\textsuperscript{32} observed that over 80 per cent of self-employed women are in agriculture and sales, compared to only 50 per cent of men, with them engaging a range of other informal sector activities.

\textsuperscript{30} www.womensbusinessresearch.org

\textsuperscript{31} Hirata and Humphrey, BRIDGE, Briefings on Development & Gender, Report, No.15, p.27, December, 1993.

\textsuperscript{32} Jockes, BRIDGE, Briefings on Development & Gender, Report, No.15, p.27, December, 1993.
In the meantime, ILO Report (1994)\textsuperscript{33} pointed out that in Asia, women commonly dominate in hawking and trading activities. More recently, there has been an increase in their involvement in micro and small scale production activities and home-based activities, as self-employed or piece rate workers.

2.1.4. Involvement of Government Agencies and Financial Institutions in the Development of Women Entrepreneurship

Van der and Romijn (1987)\textsuperscript{34} made a study on small enterprises run by women. They found that business association and service agencies set up for supporting small enterprises also limit women access to their services.

Lycklama A. Nijeholt (1987)\textsuperscript{35} in a study ‘The fallacy of integration: The UN strategy of integrating women into development revisted’, states that programmes have nevertheless declared themselves in favour of integrating women into overall development. She points to a misperception, since women are in fact integrated in society, though not always into development programmes. The failure lies with the programmes, not with the women.


\textsuperscript{34} Van der and Romijn, Entrepreneurship and Small Enterprise Development for Women in Developing Countries, An Agenda of Unanswered Questions, Management Development Branch, ILO, Geneva, 1987, p.90.

Hilhorst Harry Oppenoorth (1992)\textsuperscript{36} conducted an exploratory study on ‘Financing women’s enterprises-Beyond barriers and bias’. The epilogue highlights the need for more information on the effectiveness of financial interventions for poor women. It is emphasised that for any economic gains, financial interventions have to be selected according to the potential of women for making improvements in their position with respect to decision-making. Financial intervention in household based production is to be preceded by location, specific analysis, and taking gender into account. It is also stated that women must be able to control their returns and protect their sources of income. It is suggested that persons who design and implement the programmes that make credit available to women, should also be aware of effects on women’s status and visibility and specifically the influence on the extent of their decision making role. A flexible approach is to be exercised in the administration of credit for women.

Haan (1994)\textsuperscript{37} stated that in Africa and Asia, the community based training approach of the ILKO for self-employment and income-generation provide them with new skills of particular usefulness in secondary activities to supplement the household income. It increased their income, level of nutrition and involvement in community affairs among women.


Mayoux (1998)\textsuperscript{38} in her research paper ‘Women’s Empowerment and Micro Finance Programmes: Approaches, Evidence and Ways Forward’ states that Micro Finance schemes have improved the perception of women’s contribution to household income and family welfare and increased women’s participation in decision making in the household, resulting in overall improvement in attitudes towards women in the household community.

\subsection*{2.1.5. Problems of Women Entrepreneurship}

Schwartz (1979)\textsuperscript{39} in an exploratory study of 20 female entrepreneurs found that the major problem encountered during start-up was credit discrimination and the subsequent problem was underestimating operating and/or marketing costs.

Hisrich and Brush (1984)\textsuperscript{40} conducted a nationwide indepth survey of 468 women entrepreneurs. They found that the biggest business start-up problems of the ‘typical’ woman entrepreneur were finance, credit and lack of business training. Her greatest operational problem was lack of financial planning experience.

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\textsuperscript{39} E.B. Schwartz,‘Entrepreneurship: A Female Frontier’, \textit{Journal of Contemporary Business (Winter)}, 1979, pp.47-76.\\
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Buvinic and Berger (1990)\textsuperscript{41} in their study stated that to restrict financial support to manufacturing means imposing an additional barrier to the economic participation of women, given their predominance in trading activities.

Tovo (1991)\textsuperscript{42} observes that self-employed women face several problems common to all small-scale entrepreneurs, which include limited access to capital, inputs and markets. Often a large number of small enterprises share one market segment, causing competition to be fierce and prices to be low. The products of small enterprises can be extremely dependable on a limited number of suppliers and wholesalers. This renders the entrepreneur economically vulnerable and often exposes her/him to exploitation.

Berik (1987)\textsuperscript{43} in his study states that the tasks and influence of women who work in family-based enterprises are determined by local customs including gender roles, their age groups, position in their family, which includes specification of their bargaining power. Their participation in decision-making is often weak and their work is undervalued, even though women contribute significantly to the household income. He also states that working

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in family based-enterprises could limit the time available to women for more profitable self-employment.

Van der and Romijn (1987)\textsuperscript{44} made a study on small enterprises run by women. They found that business headed by women is consistently worse off than others. Women generally have fewer resources than men, and are impeded by lower levels of education and literacy, and by restricted physical and occupational mobility. They have limited access to profitable activities, and their skills are often common to large numbers of other women, so that work in these areas is generally competitive, oversubscribed and poorly paid. Women have little contacts and less bureaucratic know-how and bargaining power than men, which limits their productivities and profitability.

Neider (1987)\textsuperscript{45} conducted a study on female entrepreneurs in Florida. The study revealed that tension between personal life and career was a major problem for these women. Husbands were generally not much involved in their wives’ businesses and were not supportive of them.

Bequele and Boyden (1988)\textsuperscript{46} state that the dynamics and continuity of women’s enterprises are often influenced by household composition and

\textsuperscript{44} Van der and Romijn, Entrepreneurship and Small Enterprise Development for Women in Developing Countries. An Agenda of Unanswered Questions, Geneva ILO, Management Development Branch p.90, 1987.


\textsuperscript{46} A. Bequele and Boyden, Combating Child Labour, Geneva, ILO, 1988, p.226.
the life-cycle, which in turn determine labour availability, financial and kinship obligations and household needs. The presence of child labour, for example, is crucial in terms of the potential to increase household income.

Brush (1992), Cromie and Hayes (1988)\textsuperscript{47} observe that women entrepreneurs’ ambitions as regards their enterprise and their job are affected by their family responsibilities.

McKee (1989)\textsuperscript{48} indicates that poor women prefer to expand only to the limits of their own labour and management capabilities on the assumption that their basic consumption needs have already been met.

Holt and Ribe (1990)\textsuperscript{49} reveal that enterprises run by women tend to be small even by the standards of the informal sector. They are usually run on a part time basis to allow women to attend to their other obligations. Generally extra labour is not contracted, although the enterprise may depend heavily on the unpaid labour of children.

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\textsuperscript{47} www.ebst.dk/publikationer
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Gianotten et al. (1990)\(^{50}\) cite examples where men have reacted with violence to changes in women’s economic status, as when women sought to reduce their unpaid obligations to men in favour of their own work. Husbands may start to obstruct their partners enterprise if the earnings become greater than their own.

Downing (1991)\(^{51}\) observes that expansion of enterprise increases the risk. It is only possible to take risk where there is a secure source of income, such as from wage employment, ensuring that the basic consumption needs can be met.

Stolen (1991)\(^{52}\) points out that when the man’s contribution to the household decreases, women need assistance to ensure that their husbands become more ‘integrated’ into household production and family life. A reduction in the man’s contribution not only restricts the capacity of the woman to save and invest in her enterprise but also leaves her with the sole responsibility of maintaining her dependents.

\(^{50}\) V.Gianotten, Riofrio. G.Bueningen C.Van and Van Kooten C. Las mugeres del grupo destinatario: La mujer en programas de promicion urbana en el peru.lima, Informe de evaluacion DGIS-CEBEMO,1990, p.68.


Brush (1992)\textsuperscript{53} observes that woman’s domestic responsibilities and limited mobility chances at work, together with other institutional factors such as sexism and patterns of childhood and socialisation combine to produce a different way of approaching business ownership.

Hisrich and Brush (1994)\textsuperscript{54} point out that women also bear most of the responsibility for childcare and home management and these responsibilities often lead to work-family conflicts. This, combined with problems arising from lack of prior employment and managerial experience faced by many women, may result in differences between male and female entrepreneurs in terms of market entry choices, start-up problems and other issues.

White (1991)\textsuperscript{55} in his study states that in West Java, if women’s enterprises grow in scale and capitalisation, quite commonly husbands, who previously played only a minor, if any, role in the enterprise, impose themselves as managers, the women being relegated to the status of unpaid family member.


Lyberaki and Smyth (1990)\(^{56}\) observes that many women entrepreneurs decide not to expand their enterprises so as to avoid visibility and various regulations, taxes, etc. In large enterprises, division of labour is more complex and management skill is more crucial. Work also becomes more demanding and less compatible with women’s other activities and obligations and may have to be legally registered. Women want to avoid all these problems.

Tinker, cited by Downing (1991)\(^{57}\) points out that most female entrepreneurs appear to select a lateral growth pattern, increasing the number, rather than the size, of the enterprises in which they are engaged. But, Tinker, (1995)\(^{58}\) in a study ‘Women in micro-and small-scale development’ points out that credit is not the only barrier to entering business. The literature indicates that feminist or anti-feminist perspectives, management skills, understanding organisational structures and training/re-training issues are hurdles as well.

Khondkar (1998)\(^{59}\) conducted a study in Bangladesh about women’s access to credit. It is stated that women run the risk of losing control of the loans to male relatives because they are culturally excluded from participating in markets outside their homes to buy inputs and to sell outputs.

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Ljunggren (1999)⁶⁰ feels that women encounter barriers in the initial phase – and perhaps they are more uncertain about the viability of the project. There may also be fewer women than men who actually want to start their own businesses.

Richard Kibombo and Samuel K. Kayabwe (2000)⁶¹ who conducted a detailed study on economic empowerment of women through the use of Information and Communication Technologies (ICTs) reveal that there is an overall poor usage of ICTs by women entrepreneurs as a means of communication with the exception of telephone services. They mostly rely on the local network of fellow entrepreneurs to receive information relating to their businesses. It is found that there is the poor usage of ICTs for enterprise development purposes. Entrepreneurs need information regarding credit facilities and as how to improve products/services in order to improve their business.

Bruce (1989)⁶² observes that lack of capital is not the only factor that may impede the growth of women enterprises. Women are more likely to work in low return sectors than men, so their profits are lower; women often

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⁶⁰ www.ebst.dk/publikationer
spend a relatively high proportion of their profit on household needs and
generally have less access than men to use of household funds for investments.

Aldrich et al. (1989)\(^6\) found significant differences in the sex composition of networks for men and women entrepreneurs in the USA and Italy. They observe that structural constraints found in the work place, in marriage and family roles and in organised social life restricted the social networks of women business owners. Women owned businesses are typically much smaller and limited to a particular sector of the economy, viz. Retail and Services, as well as the lower status position of the job market. Essentially, women appear to be left out of the informal, strong tie networks that provide men entrepreneurs with access to the resources and support needed for the success and survival. Women entrepreneurs are thus left with challenge of meeting their own needs through formal, weak tie-channels.

Moser (1992:97)\(^6\) finds that women in Guayaquil are mainly engaged in selling, dressmaking and personal services, whereas men are engaged in selling, tailoring, carpentry, personal services and mechanics.

Sexton and Bowman-Upton (1990)\(^6\) made an indepth study of the possible disadvantages of women entrepreneurs. Their findings indicate that


men and women business owners differ on only two of nine psychological traits relevant to entrepreneurship. Women entrepreneurs scored lower on risk taking and endurance (energy level).

2.2 Studies on Women Entrepreneurship in India

Considering the importance of the discipline, quite a large number of studies covering different aspects of women entrepreneurship have been undertaken by individual researchers and institutions in India.

2.2.1. Reasons for Women Entrepreneurship

Beena and Sushma (2003)\textsuperscript{66} conducted a study on ‘Women Entrepreneurs Managing Petty Business: A Study from the Motivational Perspective’. The study reveals that the reasons for starting their enterprises are monetary returns and need to support family. Krishnaveni Motha (2004)\textsuperscript{67} in a study on women entrepreneurship in rural areas of India also observed that the majority of women entered the entrepreneurial field to supplement family income and due to other reasons such as economic necessity, non-availability of government jobs, etc.

Mohiuddin Asghari (1983)\textsuperscript{68} conducted a study on ‘Entrepreneurship Development Among Women’. The study observed that women became


entrepreneurs due to the following reasons: (i) economic needs, (ii) as a challenge to satisfy some of their personality needs (power, achievement, novel experience, etc.), (iii) educated women like to utilise their knowledge gained, (iv) family occupation and (v) as a leisure time activity.

Shah and Hina (1987)\(^6^9\) analysed the application forms of 300 women who undertook entrepreneurship development programme and 60 women trainees who later became entrepreneurs to find out their motivations for becoming an entrepreneur. Among the motives to become an entrepreneur are economic needs, utilisation of own experience and education, the support and interests of the husband and family, availability of free time and finance, desire to be independent, personal ego and satisfaction of doing something on one’s own.

Singh and Senguptha (1985)\(^7^0\) conducted a study on 45 women who were attending the entrepreneurial development programme held in November-December 1983 to identify the factors that prompted women to start their own business. The study observed that more educationally qualified women perceived entrepreneurship as a challenge, ambition fulfillment and for doing something fruitful, whereas those less educationally qualified perceived entrepreneurship as a tool for earning quick money.

Seenivasagalu (2001)\textsuperscript{71} conducted a comparative study on ‘Women Entrepreneurs and Executives’ in Chennai city. It is revealed that women entrepreneurs are mainly motivated by ‘education and previous experience’. It is recommended that promotion of women entrepreneurship is a better solution for unemployment and involvement of women in economic activities.

Singh, Sehgal, Tinani and Senguptha (1986)\textsuperscript{72} in an exploratory study of successful women entrepreneurs examined their motivations. The study reveals that the five dominant motivating factors rankwise for women entrepreneurs venturing into entrepreneurship are to keep busy (rank 1), to fulfill ambition (rank 2), to pursue one’s own interest (rank 3), by accident or circumstances beyond control (rank 4) and to earn money (rank 5).

Paramjeet Dhillon (1993)\textsuperscript{73} conducted a detailed study on ‘Motives and characteristics of successful women entrepreneurs’ by selecting a sample of 40 women entrepreneurs who got assistance from the SISI, Okhla and AEPC and Nehru Place. It was found that women entrepreneurs had varied motives for establishing an enterprise. The most important motives were ‘fulfillment of ambition and pursuit of own interest’.


Lokeswara Choudary (1999)\textsuperscript{74} carried out a study on women entrepreneurs of Vikram Sarabhai Industrial Estate in Chennai city. It is revealed that the factors which motivated the entrepreneurs to undertake business are: (i) previous experience, (ii) to work independently, (iii) to supplement family income and (iv) to get economic independence. But, an exploratory study on women entrepreneurs of Hyderabad and Secunderabad cities conducted by Aravinda and Renuka (2001)\textsuperscript{75} revealed that the most common motivational factors influencing the women entrepreneurship were: (i) self-interest in that specific area of enterprise, (ii) inspiration from other success or achievement, (iii) self-respect, (iv) advice of family members and (v) economic necessity. The facilitating factors in the maintenance of the enterprise were: (i) self-interest, (ii) experience, (iii) family-help and (iv) support.

Sumi Guha (1999)\textsuperscript{76} in a study ‘Entrepreneurship and empowerment of women’ examined the economic and social background of women entrepreneurs. The study revealed that the main reason behind the inclination of women towards self-employment is the lack of job opportunity and increasing cost of living.


Nirmala Karuna D’Cruz (2003) conducted a study titled ‘Constraints on Women Entrepreneurship Development in Kerala: An Analysis of Familial, Social, and Psychological Dimensions’. The study reveals that it is not the aspiration of women that has made them entrepreneurs; they have taken up this career in the absence of any other means of contributing to family income. Again, most of them started business only after all their attempts to secure a regular, secure and salaried job failed.

ESCAP study (1991) on occupation pointed out that geographical relocation of industries from developed to developing countries in recent years has been a prime factor in facilitating the increased participation of women, as gathered from the UN report.

2.2.2 Characteristics of Women Entrepreneurs

Singh and Senguptha (1985) conducted a study on 45 women who were attending the entrepreneurial development programme held in November-December 1983 to determine the characteristics of women who were at the threshold of starting their businesses. The conclusions drawn from the study were majority of the potential entrepreneurs had clarity about their projects,

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but needed moral support from male and other family members for setting up their enterprises. Women entrepreneurs preferred to combine their need for excellence with emotional dependency. They had inner uncertainty of their own capabilities and needed male support to pave their way either with money, business know-how or moral support.

Jayasree (1997)\textsuperscript{80} studied the entrepreneur’s access to household resources in Madras and Pondicherry by selecting a sample of 140 women entrepreneurs. She found that the major and foremost source of finance mobilisation was from family and personal saving only. Members of the family played greater roles in decision making, starting and checking the work routine and financial management.

Krishnaveni Motha (2004)\textsuperscript{81} in a study about women entrepreneurship in rural areas of India observed that many women themselves were running the enterprises effectively and belonged to low socio-economic groups. The study also revealed that women entrepreneurs who received family support could manage the enterprise more effectively.

\textsuperscript{80} S. Jayasree, ‘Entrepreneur’s Access to Household Resources, Abstracts Survival and Sovereignty Challenges to Women’s Studies’, VIII\textsuperscript{th} National Conference of Women’s Studies, Bombay, May, 1998.

Shah and Hina (1987)\textsuperscript{82} in their study on women entrepreneurship observed that the distinctive feature of women entrepreneurs is need for achievement, self-sufficiency in terms of internal and external resources awareness, initiative taking, problem solving and risk taking.

Anna (1989)\textsuperscript{83} in an exploratory study on women entrepreneurship in industrial manufacturing sector of Kerala states that no single community group is engaged in all the different trade lines. But Christian women have proved to be more enterprising. More than 50 per cent of women entrepreneurs of the sample group are housewives. The older the units, the lower the educational level of entrepreneurs and most of them are from semi-urban areas and belong to the middle class. It is also found that most of the units were tiny in terms of capital investment, labour employed and the sales turnover.

Dharmaja, Bhatia and Saini (1999)\textsuperscript{84} in their article ‘Women Entrepreneurs- Perceptions, Attitudes and Opinions’ pointed out that the majority of women entrepreneurs started their business units in the age span of 26 to 35 years, which indicates that this age group is most suitable for venturing into self-employment. The majority of women had no previous

\textsuperscript{82} Shah and Hina, Fostering Women Entrepreneurs in India, Mittal Publications, New Delhi, 1987.

\textsuperscript{83} V. Anna, Women Entrepreneurship in Industrial Manufacturing Sector of Kerala, Ph.D. Thesis, Cochin University of Science and Technology, Cochin, 1989.

experience in business. Most of them had good educational background and had no income before the establishment of the enterprise, but belonged to urban background. They feel that women belonging to non-business family background are also not lagging behind. Women possess in good measure the qualities of endurance and sustained efforts to nurture their enterprise. A majority of the women had set up manufacturing units. There was a lack of information and knowledge regarding various schemes of the Government for women entrepreneurs.

Radhika Sachdev (1999)\textsuperscript{85} in her article stated that a typical profile of a woman owned enterprise is low-risk venture, less employment generation, low-capital investment, operations restricted to a saturated market and product selection and extension of a domestic activity.

Seenivasagalu (2001)\textsuperscript{86} conducted a comparative study on ‘Women Entrepreneurs and Executives’ in Chennai city. The conclusions drawn from the study were: the majority of women units are registered manufacturing units which are sole proprietorship firms, less than 3 years old. The majority of the women entrepreneurs are doing business in rented buildings and very few supply their products to Government departments. Women entrepreneurs face medium and sometimes high competition and have achieved normal increase in capital

\textsuperscript{85} Radhika Sachdev, ‘Where is the Queen Bee’, Documentation on Women’s Concerns, July/Sep, p.68, 1999.

investments, sales turnover and net profit over the establishment year. It is revealed that women executives are educationally and economically better off than women entrepreneurs, whereas women entrepreneurs are participating more in socio-cultural activities.

Mathialagan (2002)\textsuperscript{87} conducted a socio-economic study on women entrepreneurs of Chennai city. He stated that socio-demographic and economic variables play a significant role in shifting the women folk into a new stream of life. Women entrepreneurs prefer service sector. Of all the communities, backward class tops the first list.

Small Industries Extension Training Institute, Hyderabad (1974)\textsuperscript{88} in a study cited that younger age, formal education, urban background, experience in industry, high level of aspiration, taking and adoption of inclination were some of the characteristics that were positively associated with the quality of entrepreneurship.

Nagendra P. Singh and Rita Sen Gupta (1985)\textsuperscript{89} conducted an exploratory study on ‘Potential Women Entrepreneurs, Their Profile, Vision


and Motivation’. It is revealed that women are as effective as men in business and industry.

Paramjeet Dhillon (1993)\textsuperscript{90} conducted a detailed study on ‘Motives and characteristics of successful women entrepreneurs’ by selecting a sample of 40 women entrepreneurs to get assistance from the SISI, Okhla and AEPC, Nehru Place. It was found that the most important factor for the success of the entrepreneur is ‘commitment to work’. The women entrepreneurs are willing to take high personal risks, but moderate risk in delegation of authority and responsibilities to employees and they have a high need for achievement, independence, orientation, ability for decision making, future planning and good time-management in a better manner than in male-dominated manufacturing industries. The competition between men and women in male-oriented entrepreneurial activities is on unequal terms, rendering success for women difficult.

Lokeswara Choudary (1999)\textsuperscript{91} carried out a study on women entrepreneurs of Vikram Sarabhai Industrial Estate in Chennai city. It is found that hardwork, achievement, motivation, self-confidence, etc. played a major role in keeping the entrepreneurial job successful.


Saraswathi Amma and Sudarsanan Pillai (2000) in a study on women entrepreneurs in garment industries in Kerala pointed out that all successful women entrepreneurs had strong family support and enjoyed personal freedom and majority of the women were concentrated in urban areas. They emphasised the need for EDP for helping women in non-traditional, high-skill and male-dominated activities.

Mathialagan (2002) conducted a socio-economic study on women entrepreneurs of Chennai city. Risk taking, innovation, self-confidence and achievement motivation are considered as the more vital attributes for the success in entrepreneurship.

Chittawadagi (2004) in his study ‘women entrepreneurship in cooperative banking sector’ observed that women entrepreneurs with professional competence and leadership qualities are able to mobilise deposits and invest the same profitably.


2.2.3. Scope of Activities of Women Entrepreneurs

Anil Kumar (2004)\(^95\) made a study about enterprise location: choice of women entrepreneurs by selecting a sample of 120 women entrepreneurs in Haryana state, India. It was found that most of the women entrepreneurs wanted to operate their businesses ‘near the homes’ followed by ‘near the market’.

Choudhury, Shashi Baijal and Asokan (1997)\(^96\) in a study on ‘Banks and Women’s Enterprise Development-A Comparison of Approaches in India and U.K.’ found that women entrepreneurs preferred service and retail trading activities.

Savitri Ramamurthy (1988)\(^97\) in a pilot study on women entrepreneurs in Delhi pointed out that 40 per cent of them had ventured into non-traditional areas such as engineering, consultancy, chemicals, circuit-breakers, amplifiers, transformers, microphones, etc.

Kerala Women’s Commission (2002)\(^98\) conducted a study on ‘Status of Women in Kerala’. It was noted that women entrepreneurs have started owning IT centers and electronic items manufacturing units/firms, printing


press, hollow bricks production units, etc in recent times. It is stated that women entrepreneurs have started shifting to modern lines of activities/enterprises.

Beena and Sushma (2003) made a study on ‘women entrepreneurs managing petty business: A study from the motivational perspective’ by taking a sample of 30 women entrepreneurs of Andhra Pradesh. They found that women entrepreneurs were engaged in activities like selling vegetables, leafy vegetables, flowers, etc. perhaps due to the following reasons: agricultural activities are predominant in our country, these women have migrated from villages where they were involved in farming, familiarity of the products and their potential making them opt for this business. Selling fruits, flowers and vegetables requires minimum technical skill, but requires high lungpower. Laundry, selling snacks and tea are skill based and are determined by caste and tradition.

2.2.4. Involvement of Government Agencies and Financial Institutions in the Development of Women Entrepreneurship

Some studies stressed the need for effective implementation of development policies by the Government agencies.

Narasaiyah and Ramakrishnaiah (2000) made an evaluation of DWCRA programme in Cuddapah district by selecting a sample of 9 DWCRA groups in Rayachoty. They found that the DWCRA members were confronted

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with many serious problems in the areas of production, finance and marketing. The entrepreneurial development programmes to enhance the entrepreneurial skills were not properly implemented and no concrete efforts were made to identify suitable and viable training programmes for women entrepreneur development.

Seenivasagalu (2001)\textsuperscript{101} conducted a comparative study on ‘Women Entrepreneurs and Executives’ in Chennai city. It was found that lack of awareness, inadequate Government assistance and lack of favourable women entrepreneurship environment were the causes for poor responses in the case of women becoming entrepreneurs.

Sulochana A. Nadkarni (1981)\textsuperscript{102} conducted a study on ‘Women, Entrepreneurship and Economic Development’ in Pune city. She found that the development plans and supportive services had generally overlooked the need to devise plans to help women to overcome constraints and difficulties.

Aruna Prasad, Shashi Raja Gopal, Tara Appachoo and Narayan Prasad (1984)\textsuperscript{103} in their research paper ‘A Review of the Economic Schemes for the

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Development of Women in the Past Decade with Special Reference to Karnataka State’ highlighted some of the aspects relating to the various schemes introduced specially for women. They found that the utilisation of both the economic schemes and the welfare schemes by the women is rather poor because of lack of awareness. They suggested that schemes for the economic development of women could really achieve their target only when there is efficient implementation, periodical evaluation and follow-up and there should be readiness to introduce changes in them according to the expressed needs of the beneficiaries.

The first national conference of women entrepreneurs held at New Delhi in November 1987 emphasised the need for developing women entrepreneurs and for priority to women in the allotment of land, factory sheds, sanction of power, licensing, etc. which in turn facilitate the overall development of the country.

Shanta Kohli (1991) has found that there is a presumption that government must analyse the current status and the potential role of women in the process of industrialisation with a view to bringing a positive change, which would result in sharing responsibilities and benefits by either sex. It is


emphasised that adequate legislation for social facilities, health provisions, maternity and social security benefits would enhance women’s involvement in the development process of the country.

Tara S. Nair (1996)\textsuperscript{106} in her study ‘Entrepreneurship Training for Women in the Industrial Rural Sector: A Review of Approaches and Strategies’ made an attempt to review the strategies and approaches followed in the country over the past four decades. It is revealed that development strategies targeted at women cannot hence be fitted coercively in to conventional, one-dimensional and deterministic moulds like the anti-poverty paradigm that a typical state-sponsored sectoral programme cannot take care of such a synergistic approach. It is emphasised that the ‘over aggregative’ and ‘misleading’ categories of income and class are to be rejected and the importance of gender as crucial parameter not only in analytical exercises, but also in policies and programmes is to be recognised.

Saraswathy Amma and Sudarsanan Pillai (1998)\textsuperscript{107} in a study/observed that many schemes and programmes are now available to attract women as prospective entrepreneurs sponsored by governmental and non-governmental


agencies. They made proposals and suggestions to incorporate the effect of the advances in technology and changes in economic policies of the Government in entrepreneurship development programmes.

Dharmaja, Bhatia and Saini (1999) in their article ‘Women Entrepreneurs- Their perceptions about business opportunities and attitudes towards entrepreneurial support agencies (A study of Haryana State)’ stressed that there was a lack of information and knowledge regarding various schemes of assistance launched by the Government of India.

Anjaneya Swamy and Deepak Raajan (2003) in their working paper on women entrepreneurs point out that a multi-pronged approach needs to be adopted to motivate the women to pursue entrepreneurial activities.

Sosamma (1999) Secretary, Small Industries Department, Chennai, pointed out that the Government was keen on the development of women entrepreneurs and a variety of schemes were available to them for setting up an industrial venture. Besides concentrating on setting up ‘Traditional Units’, typically meant for them, women should go in for other areas too.

110 D.P. Sosamma, ‘Margine Money Assistance for Women May be Enlarged’, Chennai, Documentation on Women’s Concerns, p.70, April-June, 1999.
Kerala Women’s Commission (2002)\textsuperscript{111} conducted a study on the ‘Status of Women in Kerala’. In this study the status of women in development programmes in Kerala was also analysed by taking a sample of 412 different entrepreneurial development units of Kannur district. It is revealed that the encouragement of officials in the case of Government programmes and the encouragement from the responsible field staff of NGOs programmes were the most influential factor that prompted the idea of starting the enterprises by women.

Choudhury, Shashi Baijal and Asokan (1997)\textsuperscript{112} in a study on ‘Banks and Women’s Enterprise Development—A Comparison of Approaches in India and the U.K.’ found that in both India and the U.K., commercial banks continue to be the major source of finance for small firms. In India, compared with the U.K., the share of women entrepreneurs is not significant despite various women-specific schemes and incentives. In the U.K. clearing banks do not have women specific schemes/incentives. But in India, banks have ‘women wings’ to cater exclusively to the needs of women entrepreneurs.

Chittawadagi (2004)\textsuperscript{113} in his study ‘Women Entrepreneurship in Cooperative Banking Sector’ observed that the bank is playing a vital role in the

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integration of women for their economic emancipation and for developing women entrepreneurship.

### 2.2.5. Problems of Women Entrepreneurship

Lokeswara Choudary (1999)\(^{114}\) carried out a study on women entrepreneurs of Vikram Sarabhai Industrial Estate in Chennai city. The study observed that most of them had the following constraints, viz. lack of proper training, experience, lack of encouragement from the society, inadequate Government assistance, more competition, inadequate knowledge and experience in management of various factors.

Singh, Sehgal, Tinani and Senguptha (1986)\(^{115}\) in an exploratory study on successful women entrepreneurs examined the types of problems encountered by them to reach the level of success and to identify the operational problems they are currently facing. 18.7 per cent women entrepreneurs perceived no operational problems, whereas 81.3 per cent indicated problems of varied nature, like managing works (23%) marketing (20.5%) recovery of dues (17.9%), financial (10.2%) and mobility (13%), etc. Only 44 per cent felt that women had to fight harder in the entrepreneurial world to succeed. Only 35 per cent experienced role conflict, as these women had children between 10 and 15 years and were not able to fulfill their role as a mother.

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Surti and Sarupriya (1983)\textsuperscript{116} investigated the psychological factors affecting women entrepreneurs. They examined the role of stress experienced by women entrepreneurs, the effect of demographic variables, such as marital status and type of family on stress and how women entrepreneurs cope with stress. Results indicated that unmarried subjects experienced less stress and less self-role distance than married subjects. Subjects from joint families tended to experience less role stress than subjects from nuclear families, probably because they share their problems with other family members. External locus of control was significantly related to role stress and fear of success was related to result inadequacy and role inadequacy dimensions of stress. While many subjects used intra persistent coping styles, that is, taking action to solve problems, avoidance oriented coping styles were more common than approach oriented styles of coping.

Gupta and Srinivasan (1992)\textsuperscript{117} pointed out that the failure of many women co-operatives in 1971 engaged in basket making is an example of how the scarcity of raw materials sounds the death-knell of enterprises run by women.

Nirmala Karuna D’Cruz (2003)\textsuperscript{118} conducted a study on the ‘Constraints on Women Entrepreneurship Development in Kerala: An Analysis

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of Familial, Social and Psychological Dimensions’. The study reveals that the biggest problem was reportedly in areas of procurement of raw materials and canvassing of orders. Staying away from home for long hours, particularly late in the evening, attending meetings, meeting and discussing with government officials and taking care of family problems alongside all these responsibilities were reported to be a serious burden along with lack of facilities and time to attend to their familial roles, rent payment and additional labour cost.

Papisetty Rama Mohana Rao (2004)\textsuperscript{119} in his study ‘Problems of women micro entrepreneurs in Chennai with special reference to access to credit’ found that inadequate infrastructure, high labour mobility, shortage of electricity and delayed realisation of debtors, etc. were the main problems faced by the women entrepreneurs. It is also revealed that access of credit has been the exclusive privilege of the rich and powerful. Women micro entrepreneurs suffered due to lack of recognition in the community. They have limited access to resources such as credit and improved means of production and marketing skills.

Choudhury, Shashi Baijal and Asokan (1997)\textsuperscript{120} in a study on ‘Banks and Women’s Enterprise Development - A Comparison of Approaches in India and the U.K.’ found that both in India and the U.K., the main difficulty that


\textsuperscript{120} P.K.Choudhury, Shashi Baijal and Asokan M. Op.cit, pp.77-87.
women entrepreneurs face when starting up of the business is the burden of family responsibilities.

Balu and Seenivasagalu (1999)\textsuperscript{121} in a study ‘Innovation, Creativity and Women Entrepreneurs’ found that as women entrepreneurs were doing small businesses, where there was no scope for innovation, their innovative skills were not adequately used, though they possessed such skills. There was a long gap between creativity and women entrepreneurship. Creativity was also not successfully utilised by them.

Mathialagan (2002)\textsuperscript{122} conducted a socio-economic study on women entrepreneurs of Chennai city. Regarding the constraints of women entrepreneurs, the personal factor seems to influence more in the service sector where as the environmental factors influence manufacturing and trading factors.

Mallika Das (1999)\textsuperscript{123} made an exploratory study of women entrepreneurs in Tamil Nadu and Kerala. The study examined the problems faced by women in initiating, running and succeeding in business and differences between the experiences of women from the developing and developed worlds. The study also underscored the difficulties faced by women in getting funds

\textsuperscript{121} V. Balu and Seenivasagalu R., \textit{A Study on Innovation, Creativity and Women Entrepreneur, A Case Study}, Madras University, Madras, 1999.


for setting up business and meeting the working capital requirements. The women in the study differ from western counterparts in family background, marital status, incubator organisations issues and environmental factors (support services).

The Department of Economics and Statistics, Government of Kerala (1984)\textsuperscript{124} conducted a study on women’s industrial programme in Kerala. The main objective of the study was to assess the involvement of manpower in this field and to analyse the difficulties and problems faced by the women entrepreneurs, which impede the growth and smooth functioning of units. It was supported by the views of 275 women entrepreneurs of Kerala. It revealed that nearly 82 per cent of women’s industrial units were functioning throughout the year. Women’s units are still in their infancy and they face the problems of (i) capital, (ii) raw materials, (iii) marketing, (iv) competition and (v) availability of power.

Hariram and Chitra Narayanan (1992)\textsuperscript{125} pointed out that women had only vague ideas about wanting to do something and who were grouping for a foothold. What they need is a pointer towards EDPs, the first step in learning what business is all about. It would help if bankers did not attempt to confuse her further and treat that confusion with contempt.


\textsuperscript{125} Hariram and Chitra Narayan, ‘Train a Woman and She is Better than a Man’, Documentation on Women’s Concerns, July-Sep, p.20, 1992.
Dhanalakshmi (1995)\textsuperscript{126} carried out a study on women entrepreneurship which seeks to examine the problems faced by women entrepreneurs in Madurai. It is stated that women who have interest in business should take the first step and are courageous enough to face the ups and downs, their families should encourage them and the financial institutions should be liberal in financing the venture conducted by women.

Savithri (2002)\textsuperscript{127} made a comparative study of women executives and women entrepreneurs in Chennai city to gauge the stress on women executives and women entrepreneurs and the factors influencing stress, the stress level, its impact on them, etc. It is found that stress played a role in a wide range of common ailments, such as headache, allergy and skin diseases, blood pressure, ulcer, diabetes and heart diseases. Stress affects sleep, productivity and growth. Workload also causes stress. Women entrepreneurs develop stress when there is labour problem, wastage and loss occurring in the organisation, feeling that they do not have enough time to do everything that is required. For women executives stress originates from personality, family and organisation. Both the parties are affected physically, psychologically and then create stress in the family and in the organisation. It is also found that women entrepreneurs in the trading and service sectors have more stress than women entrepreneurs in other areas.

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CONCLUSION

On the basis of the review of these studies, it can be deduced that women entrepreneurs are playing a very significant role in the development of a country, but at the same time, they are facing disparate problems which are detrimental to the development of women entrepreneurship. Thus, there is need for more specific studies on women entrepreneurship using structured questionnaires and appropriate tools, so that the various aspects of women entrepreneurship could be understood in the larger context. This can then become the basis of designing interventions to address this problem.