



## Plight of Women Entrepreneurs in the Globalised Era

### KEYWORDS

Commencement, Constraints, Micro Enterprises, Micro Small and Medium Enterprises, Women Entrepreneurs

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**ABSTRACT** *Micro enterprise sector is accepted as a key to sustainable economic growth. Microenterprises add value to a country's economy by creating jobs, enhancing income, strengthening purchasing power, lowering costs and adding business convenience. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. The survey which has been conducted among 250 women entrepreneurs in Kanyakumari District reveals the fact that they felt procedural constraints, location constraints and financial constraints hamper the commencement of business activities. It is suggested that women entrepreneur networks are the major sources of knowledge about women's entrepreneurship and they are increasingly recognized as a valuable tool for its development and promotion.*

#### Introduction:

Micro enterprises are accorded with high priority on account of its employment generation, income potential, low capital requirement, short gestation period, useful link with medium and large sectors, promotion of balanced regional development, utilization of local resources and production of exportable products. It trains the women to acquire entrepreneurial ability, obtain economic independence and act as an effective tool to eradicate poverty. So, micro enterprise sector is accepted as a key to sustainable economic growth. In order to convert subsistence economy of India into a healthy and growing one, it is necessary to take rapid strides in the industrial sector, so as to give gainful employment to the unemployed and full-employment to the seasonally employed or under-employed in a wide range of different industries. World Business Council for Sustainable Development, International Research Centre, Canada, and Development Alternatives, New Delhi, have demonstrated sustainable development linkages based on the experiences of funding institutions to promote micro enterprises. In Germany, women have created one-third of new business representing more than one million jobs since 1990s. In Great Britain, women are engaged in one-fourth of the self employment sector. In Latin America, women constitute 15 to 20 per cent of all employees, concentrated largely in the Commercial and Service sectors. In developing countries like India, with surplus labour and scarce capital, labour centered strategy is essential for maximization of employment.

#### Micro Enterprises in India:

A micro-enterprise is a type of small business, often registered, having five or fewer employees and requiring seed capital of not more than \$35,000. The term microenterprise connotes different entities and sectors depending on the country. In developed countries, micro enterprises comprise the smallest end of the small business sector, whereas in developing countries, micro enterprises comprise the vast majority of the small business sector—a result of the relative lack of formal sector jobs available for the poor. These micro entrepreneurs operate microenterprises not by choice, but out of necessity. Microenterprises add value to a country's economy by creating jobs, enhancing income, strengthening purchasing power, lowering costs and adding business convenience. Worldwide, the micro small and medium enterprises (MSMEs) have been accepted as the engine of economic growth, promoting equitable development and for its employment potential at low capital cost. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of

employment growth and account for a major share of industrial production and exports. In India too, the MSMEs play a pivotal role in the overall industrial economy of the country. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector.

#### Women Entrepreneur in India:

In India, micro and small enterprises provide opportunities for women to own and lead enterprises. With 495.74 million women accounting for 48.3% of India's population there is a significant potential for women-owned enterprises to contribute to the growth of the Indian economy. Globalization and economic liberalization have opened up tremendous opportunities for development through micro enterprises. Due to modifications of livelihood strategies, women's economic conditions become more vulnerable due to unequal distribution of resources. This in turn favors a policy for employment of women by increasing their access to credit through micro enterprises so as to enable them to acquire the capability and assets that can help to realize strategic gender need and economic independence. Micro enterprise development is viewed as an opportunity for providing gainful employment to the poor women and thereby improving their income and living standard using local resources as well as skills. These opportunities help women to go for training programmes related to their activity to upgrade their skills as well as to get information about the new areas where local demand is high for their products.

**Table 1 Women Entrepreneur in India**

States	No of Units Registered	No. of Women Entrepreneurs	Percentage
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Bihar	7344	1123	15.04
Other States & UTS	14576	4185	28.71
Total	64796	19971	32.82

Source: CMIE Report 2011

The above table depicts the fact that on an average 32.82 percent of the total registered enterprises were occupied by the women entrepreneurs in India. Among the states, Uttar Pradesh tops with 39.84 percent which is followed by Gujarat 39.72 percent, Kerala 38.91 percent, Punjab 33.77 percent, Maharashtra 32.12 percent, Tamil Nadu 30.36 percent, Other States and UTS 28.71 percent Madhya Pradesh 28.38 percent and Bihar 15.04 percent.

**Table 2 Women Entrepreneurs in the Kanyakumari District**

Year	Number	Trend %	Change in number	Change %
2004-2005	23	100	0	0
2005-2006	69	300	46	200
2006-2007	35	152	-34	-49
2007-2008	19	83	-16	54
2008-2009	31	135	12	163
2009-2010	78	339	47	252
Average	45	185	9	103

Source: Compiled from the records, DIC, Nagercoil

As per the live registers of District Industries Centre, Nagercoil, a total of 255 registered women entrepreneurs were available in the district. The trend percent shows the growth rate of women entrepreneurs which indicate that there is an increase of 239 percent in the year 2009-10 by taking 2004-05 as the base year. The change is apparent during the years 2005-06, 2008-09 and 2009-10 to the tune of 200 percent, 163 percent and 252 percent. However, the emergence of women entrepreneurs is getting on increased in the district and so the researcher has taken 250 members as sample from Kanyakumari District of Tamilnadu.

#### Entrepreneurship Experience of Women

Women entrepreneurs are key players in any developing country particularly in terms of their contribution to economic development. The business experience of women entrepreneurship contains how they carry out the work, how many women joint together as a group, nature of business, how they disposing the stock, purpose of getting loan, repayment of loan, time log in getting the loan amount and the scheme they got loan. The risk management of women in entrepreneurship for different industries may differ according to the capabilities of the group and individual units. As far as the nature of the enterprises of the sample respondents, 20 percent each have beauty parlor and tailoring and garment sales, 16 percent Petty shops, 13 percent deal with food items, 8 percent are running S T D Booth, 7 percent each have Xerox and Coir industry, 5 percent run Catering services centres and the remaining 4 percent Computer typing. Enterprises may be carried either individually or in a group. Some of them can do it independently and most of them like to do the work in a group. All the 250 members are involved in small scale business. Majority of the entrepreneurs have the practice of working for 6 days a week which constitute 82 percent and the balance 18 percent work for 7 days. Among them 44 percent have 5 to 10 years experience, 24 percent up to 5 years, 18 percent 11 to 15 years and 14 percent have 16 years.

#### Problems in the Commencement of Micro Enterprises

The problems encountered by the women entrepreneurs range from finances to market orientation and education. Their inability to understanding the dynamic structure of market coupled with lack of family support and access to finances are few major reasons which restrict the growth of their businesses. Moreover, the influence of their family members on their decisions jeopardizes the performance of their businesses, though; their involvement is helpful in a way that allows them to transport their products to the market and purchase of the raw material. They do believe that informal business strategy is enough for them than the formal

strategy for business. As per Garrett ranking, it is noted that the problems in commencing the business are mainly due to the finance that is in raising capital, non-availability of skilled workers, non-availability of raw materials, lack of family support, more formalities, lack of entrepreneurial traits, finding suitable market, location disadvantages, lack of motivation and lack of government support.

**Table 3 Factor analysis for the problems in commencing of Micro Enterprises**

Variables	Factor 1	Factor 2	Factor 3
Raising capital	*-.708	-.190	*-.650
Lack of family support	*-.842	-.155	.060
Lack of Govt. support	*-.675	-.170	.246
Availability of raw materials	-.449	.450	.396
Non-availability of suitable place	-.092	*.889	-.161
Non-availability skilled workers	.198	*.594	*.438
Lack of entrepreneurial traits	*.651	*.597	-.339
More formalities	*.949	.104	-.028
Lack of motivation	*.639	-.597	-.135
Finding suitable market	.470	*-.681	.357
% of Variance	38.69	26.22	11.23
Cumulative %	38.69	64.92	76.14
% of total	50.81	34.44	14.75

Source: Primary Survey

#### Procedural Constraints:

The variables filtered under this factor are more formalities right from registration till the commencement of the business, Lack of entrepreneurial traits, Lack of motivation, Raising capital, Lack of family support and Lack of Government support. This factor has a variance of 38.69 percent and possesses 50.81 percent out of total.

#### Location Constraints:

Non-availability of suitable place, Non-availability skilled workers, Lack of entrepreneurial traits and Finding suitable market were identified in this factor and have been named as location constraints. This factor has a variance of 26.22 percent and possesses 34.44 percent out of total.

#### Financial Constraints:

Finance which is the life blood of every business activity is the major constraint for the women to carry out their business successfully. This factor consists of difficulties faced in Raising capital and the Non-availability skilled workers. This factor has a variance of 11.23 percent and possesses 14.75 percent out of total.

#### Conclusion:

Micro enterprises come into existence out of either market driven or non market driven forces. Women entrepreneurs have become a strong driving force in today's corporate world. Not only are they able to equalize their duties of both motherhood and entrepreneurship but they also comprise of almost half of all businesses owned today. They involved in various business activities either individually or as a group. The survey which has been conducted among 250 women entrepreneurs in Kanyakumari District reveals the fact that they felt procedural constraints, location constraints and financial constraints hamper the commencement of business activities. The rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. It is suggested that women entrepreneur networks are the major sources of knowledge about women's entrepreneurship and they are increasingly recognized as a valuable tool for its development and promotion. This network helps to give lectures, printed material imparting first hand technical knowledge in production, processing, procurement, management and marketing among the other women and will motivate other rural women to engage in mi-

cro entrepreneurship with the right assistance and help them to strengthen their capacities besides adding to the family income and national productivity.

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