

*REVIEW OF LITERATURE*

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## **Chapter II**

### **REVIEW OF LITERATURE**

Entrepreneurship, like many other economic concepts, has long been debated. In classical economic theory, it was a shady concept. In the long run and under perfect competition the entrepreneur either disappeared or at least changed over into a sort of general. It is only in recent years that entrepreneurship and the role of entrepreneurs in the process of industrialisation and economic development has been recognised in both developed and developing countries. Even today entrepreneurship is not a fully clear concept.

The word 'entrepreneur' is derived from the French word 'entreprendre', which means 'to undertake'. In common parlance, an 'entrepreneur' means a person who sets up his own business or industrial undertaking with a view to make profit. Entrepreneurs are responsible for such economic decision like what to produce, how much to produce and what method of production to adopt. Successful entrepreneurs are action-oriented that they have the ability to visualise the steps from idea to actualisation. The spirit of enterprise makes one as an entrepreneur.

The review of literature pertaining to the present study is presented in this chapter under the following heads.

- 2.1 Theories of entrepreneurship.
- 2.2 Definition of entrepreneurs.
- 2.3 Motivational factors for women entrepreneurs.
- 2.4 Problems of women entrepreneurs.
- 2.5 Studies on women entrepreneurs.
- 2.6 Programmes supporting women entrepreneurs and
- 2.7 Assessment of various developmental programmes.

#### **2.1 Theories of entrepreneurship**

Theories of Entrepreneurship are broadly classified into economic, psychological, sociological and cultural.

According to Harvard School (Cole, 1949), entrepreneurship comprises any purposeful activity that initiates, maintains or develops a profit-oriented business in interaction with the internal situation of the business or with the economic, political and social circumstances surrounding the business.

Mark Casson (1951), in his book on “Entrepreneur-An Economic Theory”, presented a functional definition of the entrepreneur and considered why the entrepreneurial function is so valuable. He emphasised that the demand for entrepreneurship stems from the need to adjust to change, and that the supply of entrepreneurship is limited, firstly, by the scarcity of the requisite personal qualities, and secondly, by the difficulty of identifying them when they are available.

Hayek’s (1957) main contribution to entrepreneurial theory is to point out that the absence of entrepreneurs in neo-classical economics is intimately associated with the assumption of market equilibrium. According to him, the equilibrium postulate is equivalent to a postulate of full information; not full information in the sense of a complete information theory about every conceivable thing, but full information in the sense that no further information is needed in order to modify anyone’s decision.

A.H.Cole (1959) said, “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertakes to initiate, maintain or organise a profit-oriented business unit for the production or distribution of economic goods and service”.

McClelland (1961) identified two characteristics of entrepreneurship, namely doing things in a new and better way and ‘decision-making under uncertainty’. He stressed the need for achievement or achievement orientation as the most directly relevant factor for explaining economic behaviour. This motive is defined as the tendency to strive for success in situation involving an evaluation of one’s performance in relation to some standard of excellence.

Leibenstein (1968) identifies two main roles of an entrepreneur. The first role is input completion, which involves making available inputs that improve the efficiency of existing production methods or facilitate the introduction of new ones. The role of the entrepreneur is to improve the flow of information in the market. The second role, gap

filling, is closely associated to the arbitrage function emphasized by Kirzner. Leibenstein provides a very vivid description of gap filling, visualising the economy as a net made up of nodes and pathways.

According to economists', entrepreneurship and economic growth take place in those situations where particular economic conditions are most favourable. G.F.Papanek and J.R.Haris (1970) were the main advocates of this theory. According to them, economic incentives were the main drive for entrepreneurial activities. In some cases, the persons 'inner drives have always been associated with economic gains'. These incentives and gains were regarded as sufficient conditions for the emergence of industrial entrepreneurship.

Dynamic theory of entrepreneurship was first advocated by Schumpeter (1971) who considered entrepreneurship as the catalyst that disrupts the stationary circular flow of the economy and thereby initiates and sustains the process of development. Embarking upon 'new combinations' of the factors of production-which he succinctly terms innovation – the entrepreneur activates the economy to a new level of development.

According to Higgins (1972), "Entrepreneurship is meant the function of seeking investment and production opportunity, organising an enterprise to undertake a new production process, raising capital, hiring labour, arranging the supply of raw materials, finding site, introducing new techniques and commodities, discovering new sources of raw materials and selecting top managers for day-to-day operations of the enterprise".

Broachel (1982), defined entrepreneurship as a highly respected word in the developed economy. It conjures visions of active, purposeful men and women accomplishing a wide variety of significant deeds.

Singh (1986) considers entrepreneurship in terms of economic development. Economic development fosters development of entrepreneurial abilities. A country is poor because there is the dearth of entrepreneurial development. Thus, the entrepreneurial ability is considered to be the important factor in bringing the economic development of any country. Economic development of any less developed or under developed country needs the promotion and creation of small-scale entrepreneurship which can provide self-employment opportunities and utilisation of local raw materials.

## 2.2 Definition of entrepreneur

Entrepreneur is an important input of economic development. He is a catalyst of development; with him we prosper, without him we are poor. The term “entrepreneur” is defined in a variety of ways. Yet no consensus has been arrived at on the precise skills and abilities that make a person a successful entrepreneur. The concept of entrepreneur varies from country to country as well as from period to period and the level of economic development thoughts and perceptions. A review of research done in different disciplines over the years on understanding the concept of entrepreneur is presented.

Adam Smith (1776), described entrepreneur as a person ‘who only provides capital without taking active part in the leading role in an enterprise’.

According to Francis A. Walter (1876), the true entrepreneur is one ‘who is endowed with more than average capacities in the task of organising and co-coordinating the various other factors of production. He should be a pioneer, a captain of the industry. The supply of such entrepreneurship is however quite limited and enterprise in general consists of several grades of organisational skill and capability’.

Joseph A. Schumpeter (1955) writes, “Entrepreneur in an advanced economy is an individual who introduces something new in the economy—a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like”.

According to E.E. Hagen (1958), an entrepreneur is an ‘economic man who tries to maximize profits by innovations. Innovations involve problem solving and the entrepreneur gets satisfaction from using his capabilities in attacking problems’.

Knight (1958), identifies an entrepreneur as a recipient of pure profit. Pure profit, according to him, with regard to the entrepreneur, is bearing the costs of uncertainty. He identifies uncertainty with a situation where the probabilities of alternative outcomes cannot be determined either by apriori reasoning or by statistical inference. Apriori reasoning is simply irrelevant to economic situation involving a unique event.

Everett Hagen (1964), in his work "Theory of Social Change: How Economic Growth Begins", meditates on its psychological explanation. He views an entrepreneur as a creative problem solver interested in things in the practical and technological realm, and driven by a duty to achieve. Another theory of entrepreneurial supply is the behaviouristic model propounded and elaborated by John Kunkal in 1965. His behavioural model is concerned with the overtly expressed activities of individuals and their relations to both past and present, and surrounding social structures and physical condition. Kunkel's theory is based upon experimental psychology, identifying sociological variables as the determinants of entrepreneurial supply.

The key elements in Thomas Cochran's theory (1978) are cultural values, role expectations and social sanctions. In his theory on the process of economic development, entrepreneurs are not seen as being deviant or super normal individuals but rather as representing society's modal personality. This modal personality is moulded by prevailing child-rearing practices and schooling common to a given culture. The performance of a businessman, according to him, is influenced by his own attitude towards his occupation; the role expectations held by the sanctioning groups and the operational requirements of the job.

For Kirzner (1979), the adjustment of price is the main role of the entrepreneur. If the wrong price prevails in the market, then an opportunity for profit is created somewhere in the market, if a frustrated buyer or seller is willing to pay a higher price or accept a lower one. Then, again, if different prices prevail in the same market, there is scope for profitable arbitrage between the two segments of the market. The alertness to disequilibrium is the distinguishing characteristic of an entrepreneur. Alertness enables some individuals to intervene in the market by changing the price while other individuals simply respond by changing their buying and selling plans in lieu of the new price.

Carland et al. (1984) define an entrepreneur as one who 'establishes' an organisation. Schumpeter (1949) talks of the agent who consciously disturbs the stationary process to take it in a new direction. They all reflect on the primacy of individual initiative. Studies of entrepreneurial traits related to various aspect of behaviour, such as internal focus of control (Brochaus, 1982), capability to take personal risks (Gasse, 1985) and positive approach to work and problems without excessive fear of failure, seeming from strong belief in favourable future (Kuratko & Hodgetts, 1989),

leading to a strong sense of personal resourcefulness (Kahungo & Misra, 1992) through which entrepreneurs take up and deal with non-routine tasks and situations.

Peter Drucker (1986) has aptly observed that, “innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learnt and practiced. Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation”.

Varshney J.S (1991) viewed “A women entrepreneur could be defined as an adult woman who undertakes to organize, own and run an enterprise”. For Schumpeter, an innovative entrepreneur is “one who innovates, initiate or adopt a business activity”.

Suraj Kumar Debnath (1996) quoted that entrepreneurs are the prime movers of economic activities. Entrepreneurs play a very important role in generating new employment and in setting up of new business. Entrepreneurs have to be treated as the emerging potentials for economic development, especially in less developed or under developed countries. In the era of globalisation, the development of entrepreneurship is the key factor for ushering economic prosperity and well-being of any country.

Based on general concept, women entrepreneurs may be defined as ‘a woman or group of women who initiate, organise and run a business enterprise’.

The Government of India has defined women entrepreneurs based on women’s participation in equity and employment of a business enterprise. Accordingly, a woman entrepreneur is “an entrepreneur who own and control a business by having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women”.

In a nut shell, women entrepreneurs are 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.

The following chart projects the qualities of an entrepreneur.

## QUALITIES OF AN ENTREPRENEUR



Fig.1

After reviewing the various theories on entrepreneurs and some especially on women entrepreneurs one can come to a conclusion that our society also needs to bring about an attitudinal change with regard to the role of women as an entrepreneur. This will lead to the development of an appropriate environment in which women will come forth and give vent to their latent entrepreneurial talents.

### **2.3 Motivational factors for women entrepreneurs**

For a person to become an entrepreneur there should be considerable motivation either from within himself or from others close to him. Without motivation one cannot achieve anything especially entrepreneurship, which is indulging in an unknown area, risking one's money and status, and needing a very strong motivation. Without motivation success may not be possible for women, whose environment revolves around their family. In this section the motivational aspects such as motivators in starting the enterprise, factors influencing the idea of the enterprise, reasons compelling the starting of the enterprise were considered for detailed analysis.

Examining the changes taking place in the status of Indian women in economic, educational and political spheres, Hate (1969) found that the chief motivation for working women was to support their families. Similar finding was evinced in the study of Ramahamma and Bamba Wale (1987) who stated that within a given socio-economic structure, women took to work due to lack of adequate income for the family and to make family life more comfortable. This motivation was found among the educated middle class and the poor illiterate women.

Vinita Srivastava's (1978) study showed that a higher proportion of women work from the lower income group than from the upper income group. With regard to the attitude of working women towards their employment, most of the women were positive and enjoyed job satisfaction. According to her study, the degree to which married women could enter into labour force depended a great deal on the economic necessity of their family.

In his pioneering study, Sharma (1980) classified the factors which prompted the new entrepreneurs to enter the industry as A) factors internal to the entrepreneur and B) factors external to the entrepreneur. The internal factors were (i) strong desire to do something independent in life, (ii) technical knowledge and (iii) business experience. The

external factors were (i) financial assistance from institutional sources, (ii) accommodation in industrial estates, (iii) machinery on hire purchase, (iv) attitude of the government to help new units, (v) financial assistance from non-government sources, (vi) encouragement from big business, (vii) heavy demand, (viii) profit margin and (ix) unsound units available at a cheap price.

Singh and Gupta (1984) in their study on 'Potential Women Entrepreneurs – Their Profile, Vision and Motivation' found out the reasons for becoming an entrepreneur amongst the respondents. 'Economic gain' was ranked as the reason of greatest importance followed by 'keeping one self busy'. 'Fulfilment of one's ambition' was ranked third followed by 'wanted to become independent' and a host of other reasons.

Singh et.al. (1985) in their work relating to 'Successful Women Entrepreneurs – Their Identity Expectations and Problems', found out the reasons or motivational factors for venturing into entrepreneurship amongst the sample respondents. 'To keep busy', 'to fulfil ambition' and 'to pursue own interest' were ranked as the first, second and third factors followed by 'accident or circumstances beyond control' and other factors like 'earning money', 'to provide employment to others', etc. The study further revealed that although women entered business for different reasons they eventually became high achievers and independent thinkers. About 70.8 percent of the respondents had been taking the help of men in running the enterprise and only 29.2 percent were operating entirely on their own.

Rani (1986) in her study on "Potential Women Entrepreneurs" found that the desire to do something independently was the prime motivating factor to start business activity amongst the sample respondents. The women in her sample reiterated their capability to take independent decisions and told that the thought of entering into entrepreneurial areas was their own and not influenced by others. The author further found that factors such as educational and income background did not influence much in their decision to jump on to entrepreneurial bandwagon.

The study by Murthy et.al, (1986) classified the entrepreneurial motivation into three categories as, i) entrepreneurial ambitions, ii) compelling reasons and iii) facilitating factors. They conducted a study on 334 entrepreneurs in two coastal towns of Anakapalli and Gudivada of Andhra Pradesh. The ambitions of continuing family

business and securing self employment emerged as the most significant motivating factors. Making money and gaining social prestige were found to be insignificant. The study further revealed that the family property and assistance from friends and relatives were the most significant sources of initial capital for an entrepreneur.

A study on 'Women Entrepreneurs in Readymade Garments' conducted by Annie George (1988) showed that, 47.5 percent of the women entrepreneurs were motivated for earning more income and 26.25 percent for gaining economic independence.

Shashi Jain (1988) found that 50 percent of the working women took jobs for meeting the bare necessities or to improve the standard of living of their families. Twenty five percent of the respondents desired to use their professional talents and engage in gainful employment. The remaining 25 percent sought jobs due to family conflicts and the desire to be out in social life.

Similar views were shared by Parthasarathi (1982) who conducted a study on the socio-economic background and the motivating factors of 125 women entrepreneurs in Andhra Pradesh. The study revealed that 25 percent of the women entrepreneurs had undertaken their entrepreneurship for economic need.

Rita Sood (1991) conducting a study on educated women proved that economic need was one of the primary reason for most of the women to undertake work. Further, the study found that higher the economic status, lower was the number of women opting to work for economic reason and that women going to work for non-economic reasons were comparatively well adjusted than women taking up jobs due to their economic reason.

Sunanda Easwaran (1991) observed that the primary motive for engaging in some economically gainful activities by women were their desire for gainful time structuring and for making money or more money to support the family.

Kamala Singh (1992) had attempted a close look at the personal history of a select group of women entrepreneurs with special reference to their motivational forces, entrepreneurial performance, communication system and the efficiency of linkages and constraints faced by them at various stages of working career. With regard to the motivational factors, it was found that most of the respondents had the motivations of

'economic necessity' and economic independence. The major difficulty they faced were the problem of securing raw materials, equipment and inadequate marketing facilities.

Gustavo Yamada (1996) in his article on "Urban Informal Employment and Self-Employment in Developing Countries" explained the theoretical and empirical aspects of the urban informal and self-employment sector in developing countries. The central point of his study was to find out whether individuals who choose to work in this sector could earn competitive incomes and obtain returns to their entrepreneurial abilities. The outcome of the research was positive and encouraging and found evidence of competitive earnings and voluntary choice in informal self-employment. The results supported the neutral policy towards urban informal self-employment in developing countries. Gustavo suggested that since it is a competitive outcome in developing economics, policy makers should essentially let it be continued. Policy intervention would only be needed to ensure that these small entrepreneurs have adequate access to capital markets at competitive rates for the accumulation of physical and human capital.

Lalitha Rani (1996), in her book on 'Women Entrepreneurs' quoted that 50.18 percent of women entrepreneurs were motivated by their husbands, while 33.95 percent were motivated by their family members. Friends had motivated women entrepreneurs to the extent of 7.38 percent while relatives had motivated to an extent of 4.80 percent. Government agencies and others had motivated them to the extent of 3.69 percent only.

According to Beena and Sushma (1997) the motivational factors that were responsible for the growth and sustenance of unorganised sector were (i) the pull factor like vast scope for self-employment catering to the needs of urban people, with concomitant 'push' factors like lack of property in terms of land and even if there is land, there is least possibility of cultivation due to drought conditions etc in rural areas and (ii) the increase in migration of rural population to urban areas resulting in increased supply of labour force due to which the wages of those employed in this sector were also very less. Perhaps this would have been the reason for many women to opt for small enterprises, since they were more beneficial.

Mitchell (2004) in his study on 'Motives of Entrepreneurs: A case study of South Africa', examined the motivation of entrepreneurs in starting a business in the socio-economic milieu of South Africa. Both men and women entrepreneurs were found to be

primarily motivated by the need for independence, need for material incentives and the need for achievement. The need to contribute to the community was not an important reason. Male entrepreneurs in comparison to females were more motivated by the need to provide family security and to make a difference in the business. Female entrepreneurs more than males were motivated by the need to keep learning and the need for more money to survive.

Dhameja (2004) in his study on 'Women Entrepreneurs' choose three districts each from Punjab, Haryana and Chandigarh. The sample of 175 was taken by using stratified random sampling technique. He found that about 24% of the respondents were interested in or inclined to do business. This group distinctively fell under 'pull' category of entrepreneurs to whom the entrepreneurial career was so attractive that they could not resist entering into it. This was followed by 21.1% of women respondents who said that they wanted to do something constructive. About 18.3% of the sample respondents ventured into their businesses because of compulsion. The data revealed that a large number of younger women were motivated not only by the desire to become independent and to do something creative but also to achieve job satisfaction by accomplishing some challenging tasks and to compete with others.

Lavanya (2005) in the study on 'Female Labour Participation in a Selected Area in Coimbatore City' concentrated on 100 working women. The study revealed that the major motivating factor for women to undertake jobs was 'to be economically independent' (91.17 points) followed by, 'to supplement family income' (89.34 points) and 'only source of family income' (88.12 points).

In general, based on motivational factors entrepreneurs are either classified as pull and push factors, economic and non-economic factors or compelling and facilitating factors. The following chart gives an idea about the various motivational factors.

## MOTIVATIONAL FACTORS

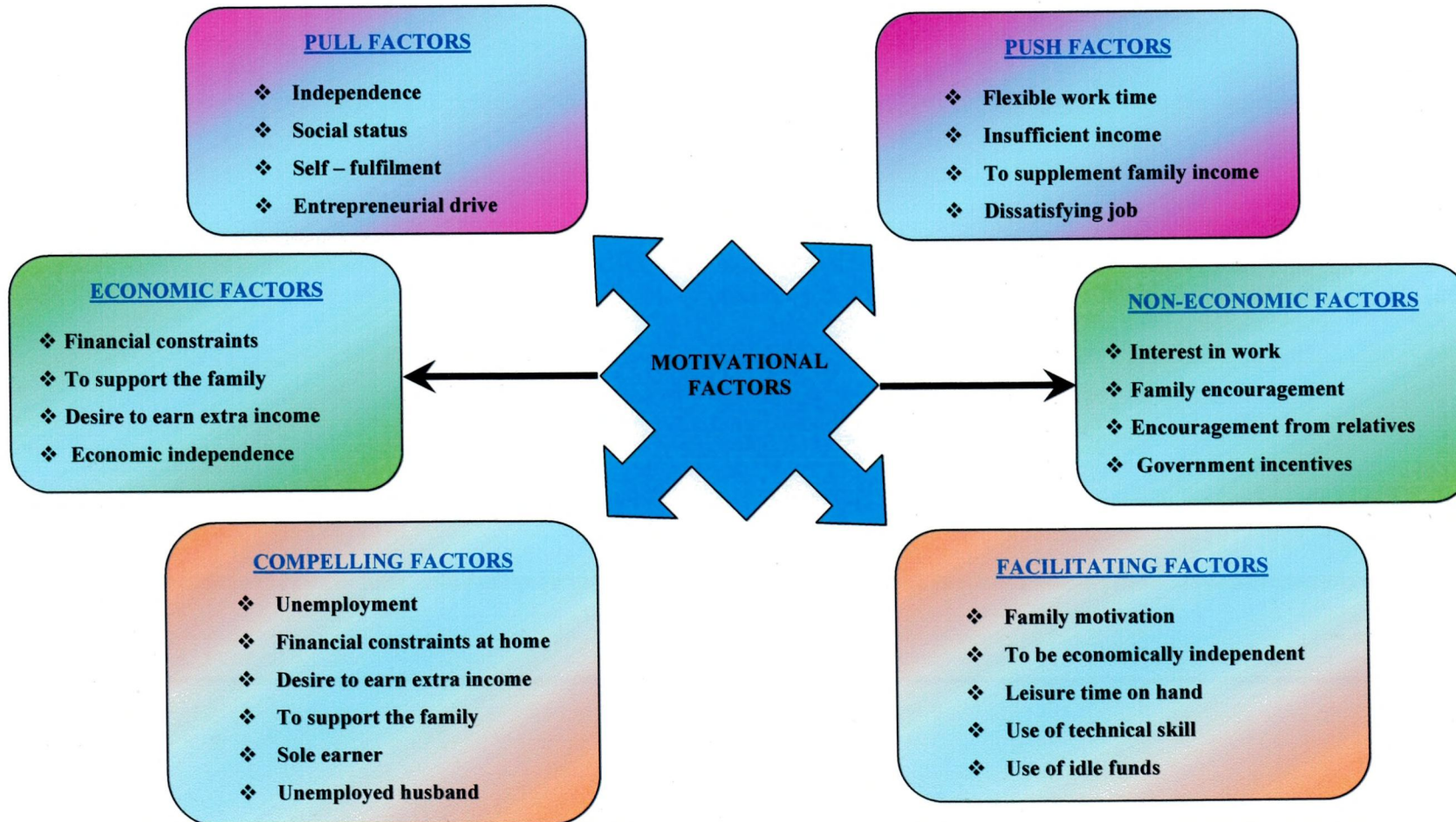


Fig. 2

Ambiga Devi and Geetha (2006) in their work on 'Self-employed Women in Coimbatore District' studied 2000 self-employed women of Coimbatore district. The findings revealed that to supplement family income was the major compelling economic factor for the urban self-employed women but in rural areas it was low family income which forced them to undertake jobs. The various development programmes initiated by the Government did not have any desired impact on the selected respondents in motivating them. In the case of non-economic factors, the self-employed women stated that they were motivated by their family members.

Shankar and Vijayalakshmi (2007) in their article on 'A Study on the Motivating Factors of Women Entrepreneurs in Chennai' analysed 47 respondents of Chennai. The study revealed that about 71% of the women entrepreneurs were motivated to start the business due to pull factors like independence (81%), status (83%), self-fulfillment (77%) and entrepreneurial drive (79%). About 53% of the women entrepreneurs were influenced by push factors such as flexible work time (68%), insufficient income (60%) and dissatisfied with job (47%).

From the review discussed in this section, it was brought out that women take up entrepreneurship primarily because of economic necessity. The desire to supplement family income was the other major factor. But secondarily for women entrepreneurs it is the desire to do something independently and the economic gain, which gave them an impetus to venture into entrepreneurship.

#### **2.4 Problems of women entrepreneurs**

In India women entrepreneurs face many problems. The major ones are family discouragement, social barriers, caste and religion, lack of self-confidence and risk bearing capacity, psychological factors, lack of practical knowledge, problem of finance, problem of marketing, problems of middlemen, lack of information etc. Hence it becomes necessary for the society and the government to find remedies for the problems of women entrepreneurship. The central and the state governments and non-government organisations have taken many steps to solve the problems of the women entrepreneurs, which have been already discussed. This section briefly brings out the various problems faced by women entrepreneurs.

Chapman (1986) says that the historical credit accesses and terms have discriminated against women on the basis of sex and marital status. It is therefore necessary to get away with this by up-to-date counselling, improving communication among female entrepreneurs, and academic commitment in offering management training courses, which would remove the barriers.

Bird (1989) has pointed out that women entrepreneurs face the problems of inadequate communication between banks and entrepreneurs, lack of entrepreneurial skills and entrepreneurial failure to utilise the resources available in their business network etc.,

Komal Singh (1992) in his study pointed that women face constraints relating to self-sphere system including age, experience, education and knowledge, etc., socio-psycho system which consists of entrepreneurial motivation, job satisfaction, value orientation, decision making ability, family occupation etc. Only when these hurdles are removed they become successful entrepreneurs.

Pananndiker and Sud (1994) in their study on women entrepreneurship in India reported the problems of rural women entrepreneurs in Alwar district of Rajasthan. The study pointed out the three major problems as skill problems, governmental inadequacies and institutional incapacities.

Jose Paul (1996) said that the main problems faced by the Indian women entrepreneurs were financial constraints, over dependence on intermediaries, scarcity of raw materials, intense competition, high cost of production, low mobility, family ties and responsibilities, social status, adverse effect on risk bearing, lack of education and low need of achievement.

Sounderarajan (1996) in his study on 'The lot of women entrepreneurs found that the women entrepreneurs seemed to prefer pucca structure. Nearly 82% of the units located in Uttar Pradesh, 77% in Maharastra and 78% in Delhi were set up in pucca structures, while in Kerala, Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar and Gujarat no unit was functioning in kutchha structure. The study said that the women entrepreneurs depended heavily on middle men to market their products, despite the fact that they were losing a large chunk of their profits in the process. Almost half the units were selling their

goods through wholesalers and 61 through retailers. Only seven were found supplying to government agencies.

Desai (1997) explained that with the breaking up of joint families many women simply could not get support of elders to shoulder the family responsibilities and physical and moral support. They had to face not only resistance or reservation from men but also from elderly women. Though in rural areas, women were working along with men since time immemorial, they were mostly engaged in low paid, low skilled backbreaking agricultural activities and act as helpers in handicrafts industries.

Nigam (1997) reported that the problems of women entrepreneurs in North India were red-tapism and non-availability of timely guidance and advisory services of the government. The author suggested to reframe and re-organise the entrepreneurial programmes in the country to benefit the entrepreneurs and there by the region and the country in achieving higher productivity and prosperity.

Swarajyalakshmi (1997) opined that the major problems concerning women varied. Majority of women who entered the field of entrepreneurship admitted that they used to face problems like managing workers, marketing, counselling, recovery of dues, financial mobility, fear of loss in finance, social and personal life, preparation of project report, purchase of machines for industry and land or building getting the infrastructure facilities, procurement of raw material, problems of brokers and middle men, obtaining credit and getting collateral securities for their enterprise launching and sustaining, lack of training skills, sales taxes, income tax and claiming price preferences and depending on their endeavour.

Singh (1997) remarked that women entrepreneurs could not receive adequate follow up support from the financial institutions. Lack of co-ordination between executives of promotional agencies and women entrepreneurs, poor technological improvements, poor infrastructural facilities, heavy burden of documentation and formalities, arbitrary charges in the administration of laws by the government, unnecessary intervening of politicians and administration and not so conducive social environment were the problems the women entrepreneurs faced.

George and Thomas (1998) cited the problems faced by the women entrepreneurs in India, as scarcity of financial resources, exploitation by middlemen, negative social attitude, apathetic family system, penetrating competition, inadequate innovation and modern technology, suppression of risk bearing capacity and constraints in mobility.

Sulochana Nadkarni (1998) in her article on 'Entrepreneurship among women- An empirical study' quoted that the problem of entrepreneurship among women had narrow as well as broad aspects. In its narrow aspects, it was a question of opportunities, and difficulties. In the broad aspects it was the problem of working women and the society's out look on the role of women. She studied 75 women entrepreneurs divided among fifteen industries – engineering, electronics, fabrics, eatables, readymade garments, soap making, plastics, and drugs, painting and miscellaneous. She identified some motivating factors called 'pull factors' which included a challenge and adventure to do something new, liking for business, and having an independent occupation etc. 'Push factors' included- to get out of financial difficulties and responsibility thrust due to death or incapacitation of near relation etc.

Panthulu and Swarajyalakshmi (1998) in their study on the development of the women entrepreneurs in India classified the problems faced by the women entrepreneurs as internal and external problems. The internal problems included the problems in choice of ideas, planning, poor project implementation, poor management, low level of production, poor quality of production, lack of marketing facilities, labour problem, and under capacity utilization. The external problems were wrong location, lack of communication facilities, inadequate capital, lack of working capital, lack of export marketing support and lack of quality control and inspections.

Datta (1998) in his study on women entrepreneurship in India with special reference to West Bengal categorized the problems under two heading viz., general problems and specific problems. General problems included the constraints faced by both men and women entrepreneurs in getting raw materials and finance, infrastructure, availability of government concession and subsidies, skilled man power etc. And problems specific to women entrepreneurs were lack of motivation and confidence, absence of risk bearing capacity, lack of complete appropriate business information and experience, male domination society, heavily involved in family matters and lack of managerial competence to run the enterprise.

Punitha (1999) in her study on women entrepreneurs analysed the problems and constraints faced by the women entrepreneurs. The study revealed that majority of the respondents started their business in the younger age group of 20-30 years. A comparison of the educational qualifications of entrepreneurs across rural and urban areas revealed that the urban entrepreneurs were more qualified than the rural entrepreneurs. Most of the women entrepreneurs in the rural areas owned manufacturing enterprises. Both the rural and urban female entrepreneurs faced almost similar problems.

Alberto (2001) in his study on 'A model of self-employment with financial constraints' presented a simple single-period model of self-employment with financial constraints. Individuals could choose either traditional or innovative projects. The difficulties expressed by banks in correctly assessing these types of projects make obtaining finances more difficult and many discourage potential entrepreneurs from undertaking them. He concluded that the idea or reason for the difficulties encountered in starting up new firms in backward regions was lack of entrepreneurial abilities. Arguing that in the backward regions the pay-off structure was such that well established, though non-dynamic, business were more profitable than innovative ones with better prospects for growth.

Naik (2001) carried out a study on the 'Problem of women entrepreneurs'. The study concluded the problems of women as, immobility, lengthy procedure in availing government assistance and lack of information and knowledge on different aspects of the enterprises.

In her study on 'Performance Assessment of Indian women Entrepreneurs – A Research study' Hina Shah (2003) pointed out that, 'many women were not aware of EDP's and if they had got a chance to undergo such training, they would have been able to plan better. It was evident that during the establishment stage, there was a prime need for information and knowledge. After getting into the operational role, management of finance and marketing were the focal points. This highlighted the importance of training the existing women entrepreneurs; to improve their performance. The need for training in entrepreneurship was recognised but not widely practiced.

According to Garg, (2004) rise of women as entrepreneurs was a new phenomenon which should be viewed as an auspicious signal. The change was visible in many urban centres and to a smaller extent in semi-urban and rural areas.

Dhameja (2004) in his study on 'Women Entrepreneurs, Opportunities, Performance and Problems', found that women faced socio-personal problems like discharge of dual duties of an entrepreneur and a house wife (52%), resistance from husband/family at the time of starting the business (14.9%) and indifferent attitude of the society (14.9%). Marketing problems faced by the respondents were, lack of travelling mobility (16%), cut throat competition (12%) and collection of payment (11.4%). Problems pertaining to government assistance faced by the respondents were harassment in government departments (17.7%) and unnecessary government interference (15.4%). Production problems faced by the respondents were the inability to keep pace with recent advances in technology. In a nutshell, the study revealed that the women entrepreneurs faced problems and constraints during the course of setting up and management of their enterprises. Earlier findings by Mishra and Bal (1998) stated the major constraints as the demand from family and male dominance.

Ramasamy (2004) in his study on 'Financial and Social Problems of Rural Women Entrepreneurs', found that the major constraints of 40 women entrepreneurs of Bodinayakanur were, delay in sanctioning of loan (22.5%) shortage of fixed capital (17.5%), inability to offer collateral securities (15%), negative attitude of banks (12.5%) and ignorance of banking procedure and inadequate size of loan (10% each). Apart from the financial constraints which restrict the growth of women entrepreneurs, the major social constraint was fear of social security (22.5%). The second important constraint was lack of relationship (20%). For a successful business venture, public relationship is vital to market their products. The third important constraint was the dual role of women (12.5%). Next was absence of family encouragement, prejudice against women, no risk bearing capacity and male domination (7.5% each). All the sample respondents were confident of running business ventures on their own.

Krishnaveni Motha (2004) made a study on 'Women Entrepreneurship in Rural Areas of India' in Indore district of Madhya Pradesh based on 50 rural women entrepreneurs. The most severe problem reported by 80% of the respondents was lack of place for work, price deduction of the product (70%), and procurement of raw materials (66%). Among the personal problems, time constraint due to dual role (60%) and lack of family support (26%) were the main problems of the women entrepreneurs.

The study by Lavanya (2005) on 'Female Labour Participation in a Selected Area in Coimbatore City' was based on 100 working women. The study reported that the severity of the problem faced by the working women at home was insignificant and in the work spot it was sexual harassment.

The work by Ambiga Devi and Geetha (2006), on 'Self-employed Women in Coimbatore District' was based on 2000 women of Coimbatore district. The study found that in rural areas, lack of government support, followed by inadequate income and infrastructure were the major problems faced by the self-employed women and in urban areas it was inadequate income and infrastructure.

From the literature cited, it is clear that women entrepreneurs in India had to face various problems such as absence of risk bearing capacity, dual role of women, absence of family encouragement, prejudice against women male domination, inadequate finance etc. Despite the various problems mentioned above, a significant number of women have created successful businesses. Though the number of enterprises initiated by women is still conspicuously low.

## **2.5 Studies on women entrepreneurs**

The study on women entrepreneurs observed that the major motivations of women for starting a business were: the need to achieve, the desire to be independent, the need for job satisfaction and economic necessity (Schwartz, 1979).

Women are increasingly seeking entrepreneurship as an avenue for economic growth. With the government and the semi-government organizations playing important role in mobilizing women to become entrepreneurs through different programmes, the number of women entrepreneurs is increasing and is expected to increase much more. Entrepreneurship itself is recently being recognized as a full fledged profession and women entrepreneurship is an even newer phenomenon. Many research studies had been done on entrepreneurship but very little has been done on women as entrepreneurs in 1980's. The few studies on women entrepreneurship that have been undertaken in the Indian context are in the industrialized cities of Delhi, Pune and Chennai. Most of those studies are again in women run small scale industries rather than women entrepreneurs in general (Watking & Watkins, 1984).

Sarala Gopalan (1981) stated that the number of enterprises run by women was insignificant; they had a very low rate of participation in the work force (around 28% of the female population and 13.6% of the total population). They were employed mostly in the unorganized sector (around 94%) consisting of occupation like agriculture, agro based industries, handicrafts, handlooms, cottage based industries and construction work. In these occupations employment is often seasonal. The number of enterprises initiated and being run by women in the formal sector was small. One estimate of the number of these enterprises given by the Alliance of Young Entrepreneurs was only 75,000 for the country. Women entrepreneurs in India represent a group of women who have broken away from the beaten track and are exploring new vistas of economic participation.

Satisfaction in job is a socio-economic motive and women do undertake jobs with this motive. This view has been amply supported in the works of Kapoor Bhattacharya (1963). Arora et.al (1965), Rapoport and Rapoport (1974) and Nischol (1975). The level of satisfaction that the women enjoy in their occupations will in turn affect their work-home role management.

Job satisfaction is an attitude which results from a balancing and summation of many specific likes and dislikes experienced in connection with the job. According to Srivastava (1983) job satisfaction has many inter related factors viz. working conditions, job security, job structure, compensation and supervision etc. It is also a function of an individual's level of aspiration.

Shahand et al., (1986) pointed out how women have at all times and in all types of economies made a substantial contribution to the production and distribution of their community's resources. The role of women in the development process was widely investigated in different cultures of various countries. By now, it has become an established fact that women have been stepping out of their traditional status of being confined to the environment of their homes. They started performing dynamic roles in enabling their society to advance towards development and prosperity. The author remarked that women's productive efforts and their capability to shape family life and thus society have convinced more and more men of the need to recognize women's equal right and status.

Pradeep Kumar Saxena (1989) in his study on 'Rural female work participation rate in Gujarat' found that the rural female work participation rate in Gujarat and its districts was very low. The study found that economic and socio cultural factors were influencing the female work participation in rural Gujarat.

Studies of N.P.Singh et.al, (1986), Kohli Chandra (1987), Kamla Singh (1992), and Shah (1995) reveal certain diversity characteristics of women entrepreneurs in India. It is found from these studies, which have been done in metros and other urban areas that the women entrepreneurs are both from business and non-business background, engage in both traditional and non-traditional field. Unlike the general belief that women entrepreneurs choose only feminine nature of products, these studies revealed that they are found in manufacturing, trade and service industries of both feminine and non-feminine nature of products. Women entrepreneurs did not face any financial problems, and the domain of women entrepreneurs includes women with and without formal training. There is absolutely no conflict with enterprise and family and women are much concerned with expansion, diversification and modernization.

Gloria Daya Samuel (1991) studied the managerial efficiency of women entrepreneurs in the food processing units of Madurai district of Tamilnadu. The study covered 56 women entrepreneurs and 10 men entrepreneurs in the urban area, who were all married and belonged to the age group of 35-50 years and all the enterprise having the capital investment of less than Rs.20,000. The findings proved that no difference existed in the managerial performance of men and women entrepreneurs.

In their study on 'Entrepreneurship Development' Jose Paul and et al. (1993) pointed out that, 'in Kerala the latest estimates showed that women entrepreneurs outnumber men. Women's education had far reaching results with women playing vital important role in Kerala's social development and becoming successful entrepreneurs.

Hussian (1994) portrayed the constraints faced by the women entrepreneurs in relation to their characteristics and the model for success in entrepreneurship. To make the climate and style of functioning all support systems (viz. socio-sphere system, support system resource, self-sphere system) congenial for women entrepreneurship, it is suggested that support agencies are to be staffed with female workers to help women entrepreneurs in their easy access to the support system.; thereby favourably changing the

existing self sphere and resource system directly and indirectly. This in turn, was expected to exert positive influence on the conducive socio sphere system.

Annia George (1995) in her study on women entrepreneurship in the readymade garments in Ernakulam district, Kerala, covered 800 women entrepreneurs. Ninety two percent of them were sole proprietors of the units. All of them were married and in the age group of 30-35 years. All the units earned profit but the women entrepreneurs who had undergone special training in the tailoring earned higher profits, because they could cater to the changing demands of the markets.

Joseph Raj (1996) in his study on 'Women's work participation in India' found that majority of the urban women workers of developing countries were employed in the informal sector. There was a high concentration of women in occupations characterized by low skill requirement, low productivity, low income, less stability and less security. Half of the women in the urban informal sector were home-based workers.

Lalitha Rani (1996) applied SWOT analysis to a selection of women entrepreneurs. In small enterprise, the positive factors of strength and opportunity outweigh the negative factors of threats and weakness for a woman to start an enterprise. This was a significant pointer to their enterprising ability.

A study on rural entrepreneurship in Bangladesh villages by David J. Lewis (1996) identified the nature of rural entrepreneurship in the light of green revolution and argued that the processes of technological change under privatization and structural adjustment had created new opportunities leading to the creation of new forms of technology-based enterprise in rural areas. He further explained that these enterprises need not always be captured by local elites. For NGOs and other development agencies there could be new openings for innovative support to enterprise efforts by the poor.

In the study on 'Contribution of employed women in household income in Bhubaneswar', Sasikala Patnaik and Prahlad Mishra (1997) highlighted the economic contribution of the employed women to their family income.

Batra and Bhatia (1999), outlined that being slightly less than 50% of the total population, women make the second largest group of potential entrepreneurs in India. There are 99.4 million women workers in a labour force of 272.84 million. Majority of

the women seek work out of economic necessity, but of these large number are unable to find employment. Their share in the total level of unemployment (40%) is higher than their share in the labour force (33%). There are only 1,50,000 self employed women a mere 5.2% of the total number are self employed. Of this, majority are concentrated in low paid, low skilled, low technology and low productivity jobs in the rural and unorganized sector. Only 2.5 million women work in the organized sector comprising a mere 12.4% of the total employment.

Soundrapandian (1999) pointed out that women entrepreneurship helps in pooling the small capital resources and skill available with the women. It paves the way for fuller utilization of capital and also mobilizes the female human potential.

In her work on 'Empowerment of women in South Asia' (2000), Kalpana Sinha, reported that, 'countries like Bangladesh, Srilanka, India, Canada and Australia stresses on women empowerment. Women in leadership underlined the need for women empowerment through self employment. Improving the role of women in the socio-economic development and reduction in gender bias in organization leadership and gender approach to harness women resources were needed also for the sustainability of the programmes.

Thresia (2000) pointed out that though women undertaken to work to remedy their financial constraints, the work is not satisfactorily helping them to fulfill their aim. When their work does not help them to earn sufficient income to sustain their families, it is natural for these women to develop a sense of inadequacy, which in turn may lead to negative consequences of conflict and stress. The problem of managing the house with the constraints of time and income is a matter of great concern for women.

Murthy and Gaur (2002) analysed the work participation of women in India for the period 1971-1991 using secondary data. The following suggestions were given in the study for the enhancement of women. In the formation of future plan, programmes and projects for working women, access should be provided to women for education and skills development training. A comprehensive review of existing national policies, legislations and social infrastructure is essential so that women could reconcile of conflict in their role at work and the family. Further there is an urgent need to promote 'new social attitudes' towards the working women.

Jayarani and Dhanabalan (2002) in their study on Challenges of rural women entrepreneurs have given the following suggestions

- Government should improve publicity regarding the incentives/concessions and organize more awareness programmes to rural women entrepreneurs through various media.
- Rural women entrepreneurs should make use of the various incentive schemes offered by the government.
- Government should encourage private training institution involved in rural women entrepreneurs development by offering incentives.

Nagammai (2002) in her study on 'Entrepreneurial opportunities for women in rural India' has concluded that women have the potential and will to establish and manage enterprises of their own. There are greater opportunities for rural women to establish and run a micro-enterprise. Money is available under different schemes. Training programmes are being conducted on different aspects of running an enterprise. NGOs are there to help them and provide them with all necessary inputs in starting and managing an enterprise. What they need is encouragement and support from the family members, government, societies and male counterparts. With the right assistance from varied groups, they can join the mainstream of national economy and thereby contribute to the economic growth of the country.

Ramamoorthy and Rameshkumar (2002) in their study on "Socio-economic constraints of rural women entrepreneurs" have opined that the rural women entrepreneurs are taking up challenging entrepreneurial activities. In rural areas larger amount of potential remain untapped due to lack of supportive means and management. The constraint they face is basically related to finance, which must be removed by attending, immediately by authorities concerned. Proper entrepreneurial skill and marketing talent are to be given to the rural women entrepreneurs through proper training programmes for carrying entrepreneurial activities. If they are given proper education and awareness about entrepreneurial activities they will become an important source for the economic development of our nation.

Raju (2002), in his study on “Development of women entrepreneurs in rural India”, opined that, in India women entrepreneurship development schemes are introduced by every government in large, but the operation and out reach of such launches are unknown to the public in general and to the women folk in particular. To overcome this problem and to improve women entrepreneurship in India the government has to conduct outreach programmes towards women of the middle class and lower middle class women group. If the out reach programmes are not satisfactory the government has to conduct counseling among the women which will help them to overcome fear which is a big hurdle for these kinds of development.

Sham Bhat and Nirmala (2002) analysed the determinants of higher occupational scales in service sectors by women, which lead them to their greater empowerment. For this, 100 women employees from service sector in Kerala were selected. The results showed that possessing job training and technical education significantly helped women to rise up in the employment ladder. Own income encouraged a significant upward movement while assets discouraged it.

Sumangala Naik (2003) had listed ‘the need for developing women entrepreneurs’. In India only 8 percent of the small scale manufacturing units were being run exclusively by women entrepreneurs which were found to be proportionately very small as compared to other developed and developing countries. In USA, about 50 percent of the business was found to be owned by women.

Dr.Ambigadevi (2003) analysed the share of women in the total family income; with one hundred women working in the unorganized sector from the slum areas in Coimbatore city. Discriminant analysis was carried out to find out whether the women respondent could be discriminated into two groups based on their share in the family income, with eight socio-economic factors-viz. (i) number of hours worked, (ii) income of the respondents, (iii) total family income, (iv) dependents in the family, (v) size of the family, (vi) marital status, (vii) type of family and (viii) total family expenditure. For marital status and the type of family, dummy concept was used. From the discriminant analysis it was found that income had the highest discriminating power of 55.46 percent. With increased income, the women were able to contribute more to their families. Next to it, ‘family income’ was the second highest discriminating factor, with a score of 29.03 percent, followed by family expenditure with a score of 8.28 percent. Although eight

factors were included in the discriminant function, only these three factors together contributed about 93 percent of the total discrimination.

Dr.Renuka Pillai and Dr.Lakshmi Devi (2003) studied the influence of female earners on the economic status of the family using primary data collected from 400 households in the Trissur district of Kerala state. The general conclusion emerging from the study was that the economic status of households with the female earners was high and that women contributed a larger proportion of their incomes for family maintenance compared to men.

Kannan and Padrakali (2003), in their study on “Informal women entrepreneurs in rural India” revealed that, women entrepreneurs depend upon the family background and support for involvement in entrepreneurship. The major reason for involvement in informal trade was the abject poverty in their families. It could be inferred that rural women were involved in informal entrepreneurships, not because of their inherent drives to achieve something but to meet the financial needs of their families. In rural India, women turned to self-employment and entrepreneurship as a means of earning for livelihood. Women entered business to shoulder the financial needs of their families. The rural women entrepreneurs assumed entrepreneurship in addition to the traditional domestic work. They assumed dual role, caring the family vis-à-vis earning for the families. They worked for long hours and were rewarded poorly in the families. The role of these entrepreneurs was not brought into light properly.

In her study on ‘Women Entrepreneurs in the new wave of Economic Development Programme’, Jayanthi (2003) brought out the various avenues open to women entrepreneurs in urban India. The areas which were feasible for women to start their career as successful entrepreneurs were listed as running beauty parlour, interior decorations, garments and counseling.

Rakesh Dashora and Anushree Sharma (2003) explained how the tribal women were establishing themselves as entrepreneurs in different fields. Tribal women, with their handicraft ability have established themselves as entrepreneurs in different fields, such as poultry, animal husbandry, brick-making, tailoring, pot-making, flour mill, making of smokeless choolas, processing, spinning and weaving of sericulture produce, and in preparing food products.

Shaikh Aftab Anwar (2004), made an evaluation of 'Entrepreneurship Development Programmes' of the central and state governments. Government of India has set up twenty five Small Industries Service Institutes (SISI) to conduct Entrepreneurial Development Programmes (EDP) primarily for the unemployed science graduates, engineers and diploma holders. The Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI) jointly sponsored eighteen technical consultancy organizations along with the state level financial institutions conduct EDP's for the educated unemployed youth. Nowadays nationalized banks, management institutes and voluntary organizations also conduct Entrepreneurship Development Programmes.

According to Saif Siddiqui (2004), various studies have been conducted on the compelling and motivational aspect of entrepreneurship, which put poverty and dissatisfaction from job as the compelling reasons for self employment or entrepreneurship. Researches further suggest that education and government assistance could also act as motivating factors for them. In fact both the level of literacy in rural areas and government assistance for rural development and village industries have shown a steady growth. This could enhance the rural entrepreneurship. Government has also worked out various employment generation plans aimed at rural self-employment. SGSY aims at rural self employment, which included the earlier programmes like IRDP, TRYSEM and DWCRA. The important fact about these programmes is that the quantum of credit given and the number of trained youths have both increased, signifying the seriousness of the government for rural self employment.

In their study on 'Emerging Women Entrepreneurs in India-Some Observations' Rajesham and Raghava (2004), stated that women had made big strides in corporate India and were more adaptable than men. They were blessed with the ability to perform many tasks simultaneously as well as relate to people at various levels. They complemented that women had emerged and they undertake any job on par with men driven by zeal to start an industry and to provide employment to people while earning their own livelihood.

Rana et.al (2004) conducted a study on 'Female labour participation in productive work'. The objective of the study was to raise the standard of living of women through active female participation in productive work. The primary data was collected from sample households of village Dulehra in Jhajjar district of Haryana state. Proportional and

stratified random sampling technique was adopted to determine the size and composition of the sample households. Female work participation has been found to be low due to various reasons like the decline in social status, scarcity of funds, lack of technical know how and training, and lack of availability of suitable jobs. Therefore, the study concluded that there was an urgent need to increase their awareness on the fact that every productive work was good if done with dignity and devotion on the one hand and to increase the infrastructural facilities by the government there by increasing their work participation on the other.

According to Sunil Goyal (2004), the lower status of women was because of her low economic status and subsequent dependence on men and lack of decision making power. Therefore, by gaining economic strength, women could gain visibility and voice. He classified women entrepreneurs in India into three groups. The first groups of women had adequate education and professional qualifications and were heading large industrial units. The second group of entrepreneurs was of middle class women with education but who lacked skill and training and were engaged in handicrafts and cottage industries. The third groups of entrepreneurs were illiterates, financially weak and were engaged in family business.

Thangamani and Sithara Balan (2004), in their study on, 'Should women become entrepreneurs?' explained how women were seeking gainful employment in several fields in increasing numbers with the spread of education and awareness.

Joel Edwinraj (2005) in, 'Training for rural entrepreneurship – Need of the hour' has quoted the objectives for training rural entrepreneurship as,

- ❖ To impart basic knowledge of rural entrepreneur about the industry, product and production method.
- ❖ To assist the rural entrepreneur to function more effectively in his present position by exposing him to the concept, techniques and information.
- ❖ To expose the rural entrepreneur to the latest developments which directly or indirectly affect him.
- ❖ To impart customer education and knowledge of the marketing of goods.

Nayan Barua and Aparajeeta Borkakoty (2005) in their study 'Women Entrepreneurs' based on 239 trained women entrepreneurs in Assam found that for 54.4%

women, retail sales was most profitable, for 10.87% door to door campaigning and for 34.3% own outlet was profitable. With regard to advertising, about 63.6% did not advertise their products but 36.4% advertised through newspapers, banners and signboards. In pricing strategy, no predetermined method was used. But 64% opted for market oriented pricing, 22.6% for cost plus pricing and 13.4% for competitive pricing.

Sujata Mukherjee (2006) in her study found that skill development led to satisfaction in business as the entrepreneurs were able to switch over to alternative strategies or generate new ideas and innovative solutions. About 42% of the entrepreneurs who received training were totally satisfied with their business, confident on utilising their skills for growth of their business and enhanced the motivational levels of the entrepreneurs.

The various studies enumerated above covered various dimensions of women entrepreneurs. Based on the literature reviewed it was found that the earlier studies had not concentrated much on the rural-urban differentials among women entrepreneurs. The present study aims at analysing this area in detail.

## **2.6 Programmes supporting women entrepreneurs**

A review of the disabilities and constraints on women, which stem from socio-cultural institutions, indicate that majority of women are still very far from enjoying the rights and opportunities guaranteed to them by the Constitution. Society has not yet succeeded in framing the required norms or institutions to enable women to fulfill the multiple roles they are expected to play in India today. The low status of women in large segments of Indian society cannot be raised without opening up opportunities of independent employment and income for them (Harsha, 1993). The long-term objectives of the developmental programmes for women would be to raise their economic and social status in order to bring them into the mainstream of national life and development. Various programmes have been undertaken by the government to promote self-employment through training and credit assistance.

To improve employment and earnings of women, a separate entrepreneur's cell has been setup in the Office of the Development Commission, Small scale industries to provide counseling to women entrepreneurs. Development of entrepreneurship among women has also been encouraged by the Small Industries Department Organization by

organising entrepreneur's development programmes exclusively for women. Women are given preference in schemes of Self-Employment Among Educated Unemployed Youth introduced in 1983-84. Over the last 2 decades, government, NGO's and donor agencies have become aware of the actual nature of women's role in the developing economies.

There are many agencies rendering assistance to women entrepreneurs not only in training them to be entrepreneurs but also in specific areas for financial identification of units and marketing. The major agencies and their areas of assistance are briefly listed below.

### **Integrated Rural Development Programme (IRDP)**

The Integrated Rural Development Programme (IRDP) was started in 1980-81 in all blocks of the country and continued as a major self-employment scheme till March 31, 1999. IRDP had several allied (sub) programmes like Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS), and Supply of Improved Toolkits to Rural Artisans (SITRA). Then, it was restructured as the Swarnajayanti Gram Swarozgar Yojana (SGSY) in 1999, which aimed at self-employment of the rural poor.

Since the inception of the programme till 1998-99, 54.39 million families were covered under the IRDP at an expenditure of Rs.13708 crore leading to an investment of over Rs.33964 crore. During the first two years of the Ninth Plan (1997-98 and 1998-99) about 3.38 million families were reported to have been covered of which 46 percent were Scheduled Castes/ Scheduled Tribes, and 35 percent women.

### **Indira Mahila Yojana (IMY)**

IMY was launched in 200 blocks of the country on 20-08-1995. Its highlights are

- Women group themselves according to socio-economic status.
- Office bearers are democratically elected.
- IMY formulates district level plan reflecting women's priorities.
- IMY helps government policies to identify individual beneficiaries.

Its main objective is to give a forward thrust to education, awareness, income generation capacity and the empowerment of women. Till March 2004, 40,000 women's

group have been formed under this scheme, of these 3,000 groups were formed in 1999-2000.

### **Development of Women and Children in Rural Areas (DWCRA)**

DWCRA, another sub-scheme of IRDP was aimed at strengthening the gender component of IRDP. It was launched in 50 districts in 1982-83 but expanded to cover all districts by 1994-95. By end of March 1999, it benefited more than 38 lakh women who were assisted at an expenditure of Rs.333 crore (only central assistance). DWCRA was directed at improving the living conditions of women and thereby of children by offering opportunities for self-employment and access to basic social services. It sought to encourage collective work in the form of group activities that were known to work better, and were more sustainable than the individual effort. It was re-structured as the Swarnajayanti Gram Swarozgar Yojana (SGSY) in the year 1999.

### **Women's Development Corporation (WDC)**

Women Development Corporations (1983) were established with an objective of making women economically independent and self reliant. The corporations identify women entrepreneurs and viable projects, facilitate availability of credit, promote marketing and arrange training in trades, project formulation management etc. The WDC's were intended to provide an institutional base for the promotion of women's economic advancement. The Tamil Nadu WDC or Corporation for Development of Women was set up in 1983 with an authorized capital of Rs. 10 million. Its activities included (i) employing women as wage earners in its own units, (ii) helping NGO's to set up units and (iii) helping women in self employment scheme.

### **Rashtriya Mahila Kosh (RMK)**

The Government of India has established Rashtriya Mahila Kosh (National Credit Fund for Women) on March 30<sup>th</sup>, 1993 with the following objectives.

- To undertake activities to provide credit as an instrument of socio-economic change for the development of women.
- To promote schemes for credit for women.
- To sustain their existing employment.
- Promotions of further employment.
- Asset creation.

- Asset redemption.
- Tiding over consumption, social and contingent needs.
- To increase participating approaches of women's group for proper utilization of resources.
- To create awareness about existing government delivery mechanisms and increase the visibility of poor women.

RMK is also organizing training apprenticeship and orientation programmes, for trainers under Indian Mahila Block Societies (IMBS). The experience of RMK is that the women would have been able to double or triple their dairy income with the credit support of Rs.2,000 or Rs.5,000. The activities followed may be dairying, petty-shop keeping and investment of the agriculture operations.

### **The Swarnajayanti Gram Swarozgar Yojana (SGSY)**

SGSY was launched in April, 1999 and is the only self-employment programme currently being implemented. It aims at promoting micro enterprises and to bring the assisted poor families (Swarozgaris) above the poverty line by organizing them into Self Help Groups (SHGs) through the process of social mobilization, training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy. The scheme is being implemented on a cost-sharing ratio of 75:25 between the centre and the states. Since the inception of the scheme upto December, 2002 a total allocation of Rs.4335.70 crore was made available by the centre and the states. Total funds utilized were Rs.3496.66 crore, to benefit 32.48 lakh Swarozgaris.

### **FICCI Ladies Organisation (FLO)**

The FICCI Ladies Organisation (FLO), the ladies wing of the Federation of Indian Chambers of Commerce and Industry, is an apex body for Indian businesswomen. Beside undertaking several business oriented activities for women through entrepreneurship development programmes, workshops and panel discussions, FLO has an active Business Consultancy Cell where free professional guidance is offered.

### **Jawahar Rozgar Yojana (JRY)**

This programme was announced on 28<sup>th</sup> April 1989. All the existing rural wage employment programmes were merged into JRY. The main objectives of the programme

were: generation of gainful employment for the unemployed and under-employed, men and women in rural areas, besides, creation of sustained employment by strengthening the rural infrastructure; creating community and social assets; creating assets in favour of the poor for their direct and continuing benefits; to bring about over-all improvement quality of life in rural area were also included as secondary objectives. According to a concurrent evaluation carried out by the Ministry of Rural Development during June 1993 – May 1994, roughly 11 days of employment was generated per person.

### **Pradhan Mantri Gramodaya Yojana (PMGY)**

PMGY was launched in 2000-2001 in all the states and the union territories in order to achieve the objective of sustainable human development at the village level. The PMGY envisages allocation of additional assistance to the States and the Union Territories for selected basic minimum services in order to focus on certain priority areas of the government. PMGY initially had five components viz., Primary Health, primary education, rural shelter, rural drinking water and nutrition. Rural electrification has been added as an additional component from 2001-2002. The allocation for PMGY in 2000-2001 was Rs.2,500 crore. This has been enhanced to Rs.2,800 crore in 2001-2002. For the year 2002-2003, Rs.2,800 crore has been provided.

### **Swarna Jayanti Shahari Rozgar Yojana (SJSRY)**

The Urban Self-Employment Programme and the Urban Wage Employment Programme are two special schemes of the SJSRY initiated in December 1997, which replaced various programmes such as Urban Self Employment Programme (USEP), Development of Women and Children in Urban Areas (DWCUA), etc., operated earlier for urban poverty alleviation. This is funded on a 75:25 basis between the Centre and the States. During 2001-2002 an allocation of Rs.168 crore was provided for various components of this programme, and the expenditure was Rs.39.21 crore during 2001-2002. For 2002-2003 an allocation of Rs.105 crore has been provided for various components of this programme. The expenditure during the financial year, upto January 31, 2003 was Rs.73.61 crore. During the financial year (2002-2003), central subsidy to the extent of Rs.138.31 crore has been released out of the budget provision of Rs.256.85 crore. Till January 2003, a total sum of Rs.211.87 crore has been released as Government of India subsidy for the construction / upgradation of 106038 dwelling units.

### **Prime Minister's Rozgar Yojana (PMRY)**

Prime Minister's Rozgar Yojana (PMRY) focuses on skill based self-employment. This was initiated to provide opportunities of self-employment to the educated unemployed youth who lacks resources for investment. This was proposed to be achieved by providing easy subsidized financial assistance to the beneficiaries, so as to enable them to start their ventures. The programme was initially based in urban areas (1993-1994) and after the initial success it was extended to rural areas since 1994-1995. This is now incorporated as a permanent scheme of the Government of India with framed modalities and guidelines for successful implementation and to fulfill the purpose for which it was designed. The amount disbursed under the scheme was Rs.137 crores in 1993-1994 and Rs.1021 crores in 2005-2006. Upto March 2006 the cumulative amount disbursed was Rs.14761 crores.

### **Women Entrepreneur Wing of National Alliance of Young Entrepreneurs (NAYE)**

NAYE is a national organization of young entrepreneurs of the country. Apart from looking into the interests of young entrepreneurs, the organization takes special care of the interests of women entrepreneurs. Some of the major achievements of NAYE are as follows:

- Establishing its credibility in both governmental and non-governmental circles as a highly professional, competent, effective and efficient non-governmental organization representing small and medium enterprises;
- establishing its effective presence in the area of international cooperation in small and medium enterprise sector;
- creating a profound impact of various strategies, policies and procedures put on the anvil by the central and state governments for performance of small and medium enterprise; and
- creating and nurturing a new class of women entrepreneurs and enabling them to acquire their rightful place in the Indian economy.

### **Associated Country Women of the World (ACWW)**

This association has one crore women entrepreneur as its members from 60 countries as on March, 2003. They are mainly rural entrepreneurs. It provides a net work

through which member groups can support and help one another. It is actively promoting women entrepreneurship in agriculture and rural industries.

### **Small Industries Development Bank of India (SIDBI)**

The Small Industries Development Bank of India with its headquarters at Lucknow, is the wholly owned subsidiary of the Industrial Development Bank of India (IDBI). It came into operation with effect from 2<sup>nd</sup> April of 1990. It functions as the principal financial institution for the promotion of financing and development of industry in the small scale sector and co-ordinates the functions of the institutions engaged in promotion of small units. The bank also provides special assistance to the export oriented industries in small sector. The various performances of the SIDBI are,

- Providing training and extension services support to women entrepreneurs according to their skills and socio-economic status;
- Extending financial assistance on concessional terms to enable them to set up industrial units in the small scale sector;
- Organising programmes for training, consultancy support and extension services for women entrepreneurs are organised through designated agencies, such as Technical Consultancy Organisations, Entrepreneurship Development Institute of India, Central/State Social Welfare Boards, KIVC or other recognised training and management institutes under Mahila Udyam Nidhi Scheme. SIDBI provides;
- Equity type assistance to women entrepreneurs who set up new industrial projects in small scale sector;
- Seed capital assistance in the form of soft loan to meet the gap in equity after taking into account the promoters' contribution to the project, subject to a maximum of 15% of the project cost.
- The eligible units are all new industrial projects in the small scale sector as also service activities which are eligible for finance as per the SSI norms set up by the women entrepreneurs, would be eligible for assistance under the scheme provided the cost of the project does not exceed Rs.10 lakhs.

### **Entrepreneurship Development Institute (EDI)**

The Entrepreneurship Development Institute of India is the first of this kind in Asia, which was set up in May 1983 at Ahmedabad. This institute conducts result-

oriented Entrepreneur Development Programmes, in a systematic and methodical manner, adjusting the same to suit the intellectual level and the socio-economic background of the target group. The EDI is well-established to promote small-scale industries in industrially backward and rural areas and for developing local and human resources. Special EDPs are conducted for target groups, science and technology graduates, women, for rural self-employment and existing entrepreneurs. The EDI also provides expertise for the selection of entrepreneurs, achievement motivation training (AMT) and pre-programme promotional activities. Women are thus treated as a special target group for entrepreneurial development by EDI.

### **National Institute for Entrepreneurship and Small Business Development (NIESBUD)**

The NIESBUD was established in the year 1983 as an apex body to coordinate the activities of various agencies engaged in entrepreneurship development. Its main aim is to conduct training programmes for trainees and entrepreneurs, frame syllabi for training various target groups of entrepreneurs, undertake documentation and research, conducts seminars, workshops and conferences and to act as a nodal agency in the field of entrepreneurship and small business development in the country.

The institute organises training programmes for different categories like, Trainers Training Programmes, Small Business Promoters Programme, Top Executive Orientation Programmes or General Entrepreneurship Development Programmes for women etc. The institute also prepares training aids and material, conducts research projects and publishes news letters. The NIESBUD has a special cell to meet the requirements of women entrepreneurs.

During the year 1998-1999, the institute has conducted 13 training programmes benefiting 180 persons including trainers, promoters, development officers, existing/potential entrepreneurs, women and weaker section of the society.

### **National Institute for Small Industry Extension Training (NISIET)**

The Government of India established an Institute known as the Small Industry Extension Training Institute (SIET) in 1960 under the Ministry of Industry for promotion and development of small industries. The institute has been raised to the level of a National Institute and renamed as National Institute of Small Industry Extension

Training (NISIET) from September, 1984. A branch Institute at Guwahati to serve the North Eastern Region was started in 1979. It now undertakes a lot of work in the region and is called the NE Regional Centre of NISIET.

The institute is conducting training programmes in the areas of development, promotion and management of small, rural and artisan industries including entrepreneurship development, preparation of feasibility reports, project reports, project management, financing, self-employment, development of artisan enterprises, weaker sections, infrastructural planning, marketing, information storage and retrieval systems, training methods etc. and state government departments/organisations, financial and other promotional institutions in their programmes for small industry development. Some studies on women entrepreneurs based on the EDP programmes for them are being done by the Institute.

During 1998-1999 the institute has conducted 21 national programmes benefiting 627 participants. In addition, 7 international programmes have also been conducted and 107 foreign trainees have benefited from this programme.

#### **District Industries Centre (DIC)**

The DIC programme was started on May 1<sup>st</sup> 1978 as a centrally sponsored scheme. The main objective of this programme is to develop and promote small, tiny, cottage and village industries in the country and to generate greater employment opportunities especially in the rural and backward areas in the country. District Industries Centre's programme continues as the central sponsored scheme and the Government of India shares its expenditure with the state governments on a 50-50 basis. DICs are performing multifacious functions including consultancy on project, liaisoning with government assistance in obtaining credit and entrepreneurial training. And prominent of its functions is to issue provisional and permanent registration certificates to small industries.

#### **Tamilnadu Women Development Corporation (D&W)**

Tamilnadu Women Development Corporation on its own directly or in association with other organizations endeavours to encourage interested and able women to take up

entrepreneurial activities. The support this corporation offers to entrepreneurship development among women is as given below.

- ❖ Identification of women entrepreneurs (individuals, co-operatives, association, etc.)
- ❖ Preparation of a shelf of viable projects and provision of technical consultancy services.
- ❖ Facilitating the availability of credit through banks and other financial institutions through the scheme of Margin Money Assistance.
- ❖ Promotion of marketing through tie up arrangements with state level marketing organizations.
- ❖ Promotion and strengthening of women's co-operation and other organizations and
- ❖ Arranging training of beneficiaries in concerned trades, project formulations, financial management through existing institutions such as polytechnics and Industrial Training Institutions.

#### **Federation of Indian Women Entrepreneurs (FIWE)**

Federation of Indian Women Entrepreneurs is one of Indai's Premier Institutions for women totally devoted to Entrepreneurship Development. Established in 1993, FIWE's success has been recognized worldwide. FIWE's Membership in 2004 is about 12,000 members. FIWE is a national organization which brings the business women on a common platform and ensures that their opinions, ideas and visions are collectively and effectively taken up with policy makers and various other agencies respectively for the development of enterprise in women.

#### **Indian Bank's Mahila Aardhik Nirbhartha Yojana**

To make the package of assistance for women entrepreneurs more broad based, a scheme has been devised and launched by the Indian Bank under the name; Mahila Aardhik Nirbhartha Yojana (MANY). Under the scheme the following package of assistance are offered to the women entrepreneurs covering practically the entire gamut of their business/industrial activity.

- Guidance/counselling assistance for identification of a product for manufacture / to choose the right type of activity for self employment.

- Assistance in preparation of project reports and filling up of applications for financial assistance.
- Ensuring sanction / dispersal of financial assistance by branches nearest to the place of operation.
- Liaison with channelising agencies to ensure smooth supply of raw materials (channelised items) wherever necessary.
- Conducting entrepreneurial development programmes in liaison with agencies like SISI etc, to impart basic knowledge in management, finance etc, to the needy women entrepreneurs.
- Liaison with central/state government and other agencies connected with the implementation of various development programme for women entrepreneurs.

Besides the various developmental programmes mentioned above, the Tamilnadu State Government is implementing entrepreneurship development through the Directorate of Industries and Commerce (DIC) and through Entrepreneurship Development Institute (EDI). Every year, nearly 25000 women are trained under the Entrepreneurship Development Programme for Women, which include training for the technically qualified women also. The training programmes are conducted through the Entrepreneurship Development Institute, Chennai, Centre for Entrepreneurship Development, Madurai and other approved NGOs. During the period 2001-02 to 2003-04, the department had trained 75535 women against the target of 75000. During the years, upto 28.02.2005, totally 20487 women have been trained to set up micro enterprises, comprising of 10154 women from self-help groups, 6311 women from technically qualified sector and 4022 women through Prime Minister's Rozgar Yojana.

In addition to the above programmes, entrepreneurs who have set up SSI units under New Anna Marumalarchi Thittam (NAMT) are also given Entrepreneurship Development Training so that they fully gear up to take up the entrepreneurship. Out of training cost of Rs.5000 per participant, Rs.1500 is borne by the State Government, Rs.1500 by the participating banks and Rs.2000 by the individuals.

Further, during 2004-05, Entrepreneurship Development Institute (EDI) had provided entrepreneurship training to 60 women beneficiaries sponsored by the Tamilnadu Industrial Investment Corporation Limited.

These programmes and initiatives introduced and implemented by the government from the First Five Year Plan (1950-1955) played a major role in empowering women and providing immediate employment opportunity by promoting women entrepreneurship.

## **2.7 Assessment of the various developmental programmes**

Nabra (1989) conducted a study of the Self-Employment Programme for Urban Poor (SEPUP) and suggested that the SEPUP should strengthen the less productive units by removing the constraints on technology, capital, market and skill. He also suggested that the policy interventions designed to promote self-employment among women and their impact in generating employment, raising productivity, wages etc. needs empirical testing.

An assessment of the programme undertaken by Soundarapandian, (1991) brought out the fact that, works implemented through the National Rural Employment Programme (NREP) were co-ordinated or integrated with the requirement of families identified for assistance under the Integrated Rural Development Programme (IRDP).

The basic concept of IRDP remained flawed for several reasons [Bhat et.al. (1991), Jothimani (1992) and Theresiakutty (1992)]. Existing studies on the impact of IRDP on poverty alleviation and income generation reported that the massive amount spent on subsidies, which, by and large, did not accrue to beneficiaries, would have been much better spent on watershed development, rural infrastructure and social security. The IRDP suffered from the basic misconception that provision of credit is a one-time event rather than a continuing relationship between the lender and the borrower.

The Department of Small Scale Industry (1996) under the Ministry of State for Industry had taken the initiative to train one lakh women entrepreneurs to take up trade-related activities. In the first phase, it was proposed to undertake the pilot training of 30,000 women entrepreneurs in six selected centres. Six project lines including processed foods, forest produce collection, leather, readymade garments and coir had been selected, which would focus on women entrepreneurs. The experience gained from the first phase would be used to extend the programme to other centres.

Aiyadurai (1999) opined that, voluntary agencies and non-governmental organizations have great roles to design Entrepreneurial Development Programmes according to the local needs. They have more access to the people of their own areas. The author further suggested that if the entrepreneurial skill among the women is developed and channeled appropriately, then it would lead to a better human resource development and strengthen the nation's economic development.

Dhamayanthi (1999) reported in her evaluative study on the functioning of DWCRS in Kerala district that the households were not able to derive significant benefits from the scheme to improve their levels of living. The study concluded that the programme failed to achieve its desired objective of uplifting the rural poor and bringing them to the main stream of economic development.

Shyamala (1999), in her study on 'Entrepreneurship Development for Women' opined that, the non government organizations and the government had done a good spade of work for women to enter as successful entrepreneurs. She further stated that the government should take full responsibility for providing maternal and child care services, creches, working women hostels to encourage women to come to the employment market.

Rajeswari and Sumangala, (1999) said that women's organizations, women's co-operatives and NGOs should be promoted to assist self-employment for women. Government should take remedial measures for the specific problems faced by women entrepreneurs like marketing and that special concession should be extended to them. Training component should also include skill information knowledge on different technologies, handling of better equipments, legal aspects of running a business, preparation of feasibility reports, better marketing and communications. They explained how the Grameen Bank in Bangladesh founded by Prof. M. Yunus of the Chittagong University could meet the credit and saving needs of the rural poor especially for womenfolk. Women movements like Self Employed Women's Association (SEWA, 1986) in Ahmedabad founded by Prof. Ela Bhatt and the Working Women's Forum (WWF) launched by Mrs. Jaya Arunachalam in TamilNadu, Annapurana Mahila Mandal at Mumbai, Artisan Guild, Milk Co-operative society ANAND at Gujarat initiated by Dr.V.Kurien were some of the best examples of these collective actions.

A study by the Programme Evaluation Organisation (PEO) (2000) found that the estimated proportion of registered job seekers who actually got any employment was as low as 25 percent in sample villages. The average number of days of employment per person per year was less than 53 as per official records. However, information gathered from the beneficiaries revealed that 69 percent of them got less than 30 days of employment, and another 17 percent between 30 and 50 days, the overall average for the sample states worked out to 31 days.

Shrivastava and Maurya in a study on rural SC and ST entrepreneurs (2000) analysed the 'impact of self-employment generation programmes among scheduled castes and scheduled tribes'. The study showed Prime Minister's Rozgar Yojana (PMRY) and Training of Rural Youth for Self Employment (TRYSEM) as successful in promoting women entrepreneurs. The entrepreneurs from Khadhi and Village Industries Board (KVIB) category also showed significant growth in their business enterprises. But a majority of entrepreneurs from Development of Women and Children in Rural Areas (DWCRA) category were found to be reverted to their unemployed position again. This suggested that entrepreneurship development has direct correlation with occupational mobility among the scheduled castes and tribes.

Ajit Kumar Sinha (2001), in his book on 'Dynamics of Poverty Alleviation Programmes' made a study on 'National Social Assistance Programme'. Out of the 60 beneficiaries hailing from North Bihar, Central Bihar and Jharkhand, 41.7% beneficiaries used the amount given as old age pension for own purposes, 88.57% used the given amount for family maintenance, 5.71% for loan repayment and 66.66% beneficiaries reported that the assistance amount was significant. Further, the survey on 'National Family Benefit Scheme' based on 60 beneficiaries from North Bihar, Central Bihar and Jharkhand revealed that the amount received due to the death of the bread winner was utilized for consumption expenditure by 31.25% of the beneficiaries, 25% had utilized to undertake productive activity, and 34.2% had utilized it for repaying the loan.

In her study on, 'Women and Entrepreneurship' Arundhati Chattopadhyay (2003), urged the need for institutional support for women entrepreneurs, on the following grounds.

- ❖ the support of Training and Employment Programme (STEP) provides a comprehensive package of upgradation of skills through training extension inputs, market linkages etc.
- ❖ setting up of an employment and income generation training cum production centre for women (NORAD) extends training for the poor and needy women in the age group of 18-45 years.

Directorate of Industries and Commerce, Assam (2004) in their Report on the performance of Prime Minister's Rozgar Yojana stated that about 10151 number of unemployed youths were sanctioned loans amounting to Rs.7595 lakhs against the target of 10000 numbers during 2003-04. the employment created under this Prime Minister's Rozgar Yojana was 7102 during 2003-04. Since 1999 the disbursement rate was less than the target rate.

Chennappa (2004) studied the 'Impact of the Prime Minister's Rozgar Yojana of Andhra Pradesh' on 450 beneficiaries. For this, 150 beneficiaries each from the three districts of Telangana region in Andha Pradesh were selected. The study observed that 26% of the sample beneficiaries had no income before starting the scheme; significantly, it came down to 4% after the implementation of the scheme. Only 2% of the beneficiaries did not generate income due to losses. The industrial sector had performed better in generating more income, that is, 10.37% rate of return in Nalgonda district, whereas the highest rate of return on investment was 16.3% in service sector in Ranga Reddy district. The lowest rate of return has been noticed in Mahabubnagar district in the business sector (9.55%). Ranga Reddy district beneficiaries maintained the units with low investment and with high rates of return in service sector with regard to employment generation. On an average, employment generated by the sample units was 2 persons per unit. The scheme had a positive impact on income and employment of the beneficiaries.

Vanitha Chethan et.al (2004) studied the impact of Swarnajayanthi Grama Swarozgar Yojana (SGSY) in terms of employment generation among women beneficiaries. 'Swarnajayanthi Grama Swarozgar Yojana is the state and central government sponsored programme, which mainly focuses on creation of employment for its beneficiaries. This is achieved through raising the income levels, possibly by increasing the number of days of employment. There was an increase in the number of days of employment for all the beneficiaries after initiation of the programme. Education,

social participation and achievement motivation had positive significant relationship with employment generation, but other socio-economic factors had no relationship. There was a good impact of SGSY on the employment generation of women beneficiaries.

Inbalakshmi. M (2004) in her study on 'Development of Women Entrepreneurs' stated that non-government organisations (NGOs) were playing crucial role in the development of women entrepreneurs, by providing their services to the rural women not only in awareness about sanitation, protected drinking water but also in creating self employment opportunities. While carrying this message to the rural folk, NGOs were facing number of problems such as, lack of support from the members of the family, paucity of funds, and lack of education and lack of awareness.

Sheik Mohamed, (2004) in his study on 'Self-Help Group for the success of women entrepreneurs' stated that, the First National Conference of Women Entrepreneurs held at New Delhi in November 1981 advocated the need for developing the position of the women entrepreneurs in the country. It called for priority to women in allotment of land, sheds, sanction of power, licensing, etc. The Second International Conference of Women Entrepreneurs organized by the National Alliance of Young Entrepreneurs (NAYE) held in 1989 at New Delhi also adopted certain declarations involving women's participation in industry. There are several institutional arrangements both at the center and the state levels like nationalised banks State Finance Corporation (SFC), State Industrial Centre (SIC), District Industrial Centre (DIC) and voluntary agencies like FICCT's Ladies Organization (FLO), National Alliance of Young Entrepreneurs (NAYE) which has been engaged in protecting and developing women entrepreneurs in the country.

Vasudeva Rao, (2004) in his study on the 'emancipation of women through self management in Andhra Pradesh', reported that the, 'Government of Andhra Pradesh has taken up the theme of Women's empowerment as one of the main items on their agenda to tackle rural poverty and socio-economic issues.

According to Archana Sood (2004), 'the Rashtriya Mahila Kosh (RMK), since its registration in 1993, had established its credentials as the premier micro credit agency with its focus on women and their economic empowerment through the provisions of credit to poor and assetless women in the informal sector. RMK mainly canalizes its support through voluntary organizations and Women's Development Corporations.

The various studies relating to women entrepreneurship highlight the importance of this sector in the development process of the economy.