

Chapter 1

INTRODUCTION

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. It involves creation and use of innovative ideas, maximization of output from given resources, development of managerial skills, etc. Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and career commitments of providing value for some product or service (Kuratka and Richard, 2001).

Entrepreneurship plays an important role in the discovery of knowledge and the turning of that knowledge into future goods and services through industrial innovations. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. It is abundantly clear that entrepreneurship is important for economic growth, productivity, innovation and employment and many countries have made entrepreneurship explicit policy priority. Entrepreneurial activities have been recognized as an important element in economic development and wealth creation. Entrepreneurship through its process of innovation creates new investment or new ventures. More ventures being created, new jobs will be produced, thus reduce the unemployment rate which in turn will create and promote wealth distribution.

According to Ritesh Kumar (2013), entrepreneurial development is very significant for economic development since the objectives of industrial development, regional growth and employment generation depend upon entrepreneurial development. Hafizullah et al (2012) viewed entrepreneurship as bringing and implementing novel ideas or modifying the old ones, to bring innovation into business that have the ability to create value. According to Monica Singh (2014), entrepreneurship is necessary for the growth of an economy, it helps in proper utilization of both human and non-human resources and improves the living condition of the poor masses.

Significance of women entrepreneurship:

In the emerging global scenario, women have a pivotal role to play and they have taken up entrepreneurial role in order to create a meaning for themselves. The traditional role of housewives is gradually changing into women entrepreneurs. Some of the factors responsible for these changes are better education, changing socio cultural values and need for supplementing family income. When proper exposure, education and knowledge are imparted to them, women will prove themselves to be highly potential productive force for the development of the nation.

Women entrepreneurs are key players in any developing country particularly in terms of their contribution to economic development. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. In today's World, women entrepreneurs are playing very vital role and they have become important part of the global business environment and it is really important for the sustained economic development and social progress (Amit Kumar and Rahul Varma, 2002).

With globalization, privatization and development of education and business, the opportunities of self employment for women have increased drastically. The self-employed entrepreneur creates not only her employment but also creates employment opportunities to others. They work in a wide range of sectors from trade and services, to dairying, tailoring, beauty parlours and printing. A variety of stakeholders have pointed at them as an important untapped source of economic growth and development (Minniti and Naude, 2010).

Irene Natividad (2000) has observed that "Global markets and women are not often used in the same sentence, but increasingly, statistics show that women have economic clout-most visibly as entrepreneurs and most powerfully as consumers". Today, women in advanced market economies own more than 25 per cent of all businesses and women-owned businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly. A report on Women entrepreneurship: Issues and policies in a global economy towards a more responsible and inclusive globalization (2004) depicts that women entrepreneurs play an important role in the entrepreneurial economy, both in their ability to create jobs for themselves and to create jobs for others.

Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as “An enterprise owned and controlled by women having a minimum financial interest of 51 percent of the capital and giving at least 51percent of the employment generated in the enterprise to women”. Many push and pull factors motivate women to have an independent occupation and stand on their own legs. Saddled with household chores and domestic responsibilities women want to get independence and they have an urge to do something new. But at sometimes due to family compulsion, the responsibility is thrust upon them and hence women are engaged in business.

Schemes for facilitating women entrepreneurship:

The Indian Government is fully committed to promote women entrepreneurship through various promotional and developmental supports. Ministry of Micro, Small and Medium Enterprises, Government of India, accords considerable emphasis on promotion of women entrepreneurship, particularly among first generation women, through various training and support services. Similar entrepreneurship development programmes, especially for women, are also regularly conducted by various State level developmental institutions, banks/financial Institutions and non-Governmental organisations. These women-centric programmes are tailor-made to train the potential women entrepreneurs in improving their technical/managerial knowledge and skill with a view to facilitating them to start medium and small enterprises in various fields. Further 22.5 percent of total target of entrepreneurship development programmes are conducted exclusively for scheduled castes, scheduled tribes, women and physically challenged persons.

Moreover, Ministry of Micro, Small and Medium Enterprises has formulated a scheme for women entrepreneurs to encourage small and micro manufacturing units owned by women in their efforts at tapping and developing enterprises under MSME at International Trade Fairs / exhibitions, to enhance export from such units. This scheme provides rent free space in the exhibitions and reimburses 100 percent economy class air fare for one representative.

Under Prime Minister's Rozgar Yojana (PMRY) launched by the Government of India in 1993, preference is given to women beneficiaries. The Government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs. Rashtriya Mahila Kosh - the National Credit Fund for Women (NCFW) was set up by Government of India in 1993 to meet the credit needs of the poor and asset needs of women in the informal sector. Rashtriya Mahila Kosh (RMK) extends micro credit through financial institutions for various activities including setting up of micro enterprises.

Trade Related Entrepreneurship Assistance and Development Scheme for Women (TREAD) set up during ninth plan period envisages economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. The three major components of these schemes are: Government grant up to 30 percent of the total project cost to the non-Governmental organizations for promoting entrepreneurship among women and the remaining 70 percent of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project. Further it envisaged provision of need-based grants up to Rs. 5 lakhs to National Entrepreneurship Development Institutions and any other reputed institutions for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

In 2000, the Government of India had introduced the credit guarantee fund scheme for small industries with the objective of providing credit to small scale industrial units. The scheme is being operated by the Credit Guarantee Fund Trust for Small Industries (CGTSI) set up jointly by the Government of India and Small Industries Development Board of India. In the case of women enterprises, the guarantee cover is up to 80 percent of the credit subject to maximum guarantee limit of Rs. 20 lakhs.

The Micro and Small Enterprises Cluster Development Programme (2006) envisages diagnostic study of identified clusters of traditional skill-based micro and small enterprises to identify suitable technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The

cluster development aims at improved competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. Under this scheme to create physical infrastructure for women enterprises, central grant of 40 percent of the project cost subject to a maximum of Rs.2 crores is available.

Under Prime Minister's Employment Generation Programme for urban women beneficiaries introduced in 2008, margin money subsidy is provided at the rate of 25 per cent of the project cost while it is 35 per cent for women in rural areas.

Moreover women entrepreneurs cell has been set up in the Directorate of Industries, Delhi administration, to provide a number of incentives and reservation for women entrepreneurs in allotment of land and sheds. The Government of Tamil Nadu has established Tamil Nadu Corporation for the development of women, which also aims at improving women entrepreneurship. A special wing to develop non-traditional women entrepreneurs was started in 1980 in Ahmadabad for training and developing a distinct class of women entrepreneurs, who can establish sizeable industrial units. Haryana offers a package of incentives, which can be availed by women entrepreneurs. These include exemption from payment of stamp duty and registration and exemption from electricity duty upto a certain period. Karnataka has formulated special assistance programme for women entrepreneurs under which subsidy is given to the units of women entrepreneurs and decentralised assistance is provided to skilled and trained women entrepreneurs.

Empowerment of women:

In recent decades women empowerment has been suggested as a mechanism to improve the quality of women's work as well as their personal lives. The empowerment of women is an essential precondition for the elimination of World poverty and the upholding of human rights. This concept is accompanied with, freedom, self-determination and power and empowerment gives rights to women which enables them to be independent of men. Empowerment of women means acquiring the power to think, acting freely, developing a sense of self-worth, a belief in one's ability to make desired changes and the right to control one's life, exercise, bargaining power and fulfilling their potentiality as equal members of society.

Empowerment of women is a process in which women gain a greater share of control over resources and control over decision making in the home and society and to gain power. According to Awwal Sarker (2006) empowerment of women is a process that enables women to gain access to and control over the physical resources as well as the power structure. It is a process of awareness and capacity building leading to greater participation, greater decisions leading to power and control and transformative actions. Empowerment of women means acquiring the power to think, acting freely, developing a sense of self-worth, a belief in one's ability to make desired changes and the right to control one's life, exercise choice, bargaining power, and fulfilling their potentiality as equal members of society. There are different dimensions of women empowerment – economic, social culture, psychological and legal.

Gender equality and empowerment of women is the third among the Millennium Development Goals declared by Millennium Summit on 8th September 2000 by United Nations Organisations. Fifty sixth session of Commission on Status of Women held on March 2012 indicated the urgency of elimination of all forms of discriminations against women and provisions of legal framework for gender equality as decision makers, entrepreneurs and service providers.

In India, the year 2000 was declared as the year of Empowerment of Women and National Policy for Empowerment of Women was formally announced in 2001. National policy of empowerment of women (2001) had the objective of equal access to participation and decision making of women and considers their equal access to health care, safety, quality education and strengthening legal systems for elimination of all forms of discrimination against women.

Economic empowerment of women through entrepreneurship:

The economic empowerment of women is being regarded as a sine-quo-non of progress for a country and hence, the issue of economic empowerment of women is of paramount importance to political thinkers and reformers (Sathiabama 2010). According to Mohammed Abu Jahed et al (2011), women's economic empowerment is an inevitable part of economic development discourse in any development undertaking of a nation. The concept of women's economic empowerment goes

beyond 'women's development' to represent a process of conscientization for gender equality. According to International Centre for Research on Women (2009), "A woman is economically empowered when she has the ability to succeed and advance economically and the power to make economic decisions".

Entrepreneurship development among women can be considered as a possible approach to economic empowerment of women. Entrepreneurship offers a greater possibility of achieving significant financial rewards than working for someone else. It provides the ability to be involved in the total operation of the business operations and customer response. It offers the prestige of being the person in charge. It gives an individual the opportunity to build equity which can be kept or passed on to the next generation.

Developing entrepreneurship among women is the right approach for economic empowerment of women since it would enhance their socio-economic status. Once a woman feels that she is economically strong, she will feel equal to man in all respect. (Suryawanshi Sunil Uttamrao, 2014). Since opportunities of getting employment in either Government, or private organisations is currently almost declining women entrepreneurship can make a strong contribution to the economic well-being of the family (Gemechis, 2007).

India is being attacked by baffling problems of over population, unemployment, poverty etc. Since entrepreneurship is consistently equated with the establishment and management of small business enterprises it provides the solution to these problems. Concentration of economic power, regional imbalances and exploitation by monopolists find their solutions in the development of entrepreneurship. In India, women constitute around 48 percent of the population but their participation in the economic activities is only 34 percent (Vijayakumar and Naresh, 2013). The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 135th of the 166 nations in 2014 (Human Development Report, 2014).

Various surveys demonstrate that women's primary entrepreneurial activity is focused on the micro, small and medium enterprise sector. With increase in dependency on service sector, many entrepreneurial opportunities especially for

women have been created. Accordingly, during the last two decades, increasing number of Indian women have entered the field of entrepreneurship and also they are gradually changing the face of business today. Of the total micro, small and medium enterprises in India women owned enterprises contribute 3.09 percent of industrial output and employ over 8 million people (Annual Report of Ministry of Micro, Small and Medium Enterprises, 2011).

However, in India, the actual participation of women in income generating activities is quite unsatisfactory and only eight percent of the small scale manufacturing units are owned and operated by women. Further the percentage of women entrepreneurs in India is low compared to that of other developed countries and developing countries. In 2011, the percentage of women entrepreneurs in India was only 31.6 percent as compared to that of USA-45 percent, UK-44 percent, Indonesia-40 percent and Srilanka-35 percent. In 2011, the number of women entrepreneurs in Tamil Nadu was 3,95,293 accounting for 15.23 percent of total entrepreneurs in India (Alagu Pandian et al, 2012).

Dalits in India:

Mahatma Jyotirao Phule (1827-1890), a Marathi social reformer belonging to the backward caste, was the first to use the term Dalit to describe the outcaste untouchables as the oppressed and the broken victims of Hindu Society. The word Dalit - literally translating to “oppressed” or “broken” - is generally used to refer to people who were once known as “untouchables”, those belonging to castes outside the four-fold Hindu Varna system.

In India, there were around 197 million Dalits – officially known as scheduled castes and they constitute 16.62 percent of the population (Primary Census Abstract, 2011). They are consistently discriminated against despite a constitutional ban on ‘untouchability’, and the enactment of specific legislations including the Protection of Civil Rights Act, 1955 and the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities Act, 1989).

Ambedkar was the leader of many mass agitations of the Dalits of Maharashtra. In order to educate his people, he opened schools and colleges and

played an important role in conscientising his fellow Dalits. It was Ambedkar who made his fellow Dalits aware of exploitative and oppressive caste system of India through his speeches and extensive writings.

Dalits face discrimination at almost every level from access to education and medical facilities to restrictions on where they can live and what jobs they can have. Dalits are employed as leather workers, sweepers, cobblers, agricultural workers and manual “scavengers”. These jobs rarely provide enough income for Dalits to feed their families or to send their children to school. They continue to suffer on account of severe socio-economic deprivation arising out of poor asset base, dependence on wage labour, subsistence level of farming, engagement in scavenging and other unclean jobs. They became poorer and powerless and discriminated against at every step of their life.

To improve economic status of dalits, the Government of India has set up National Scheduled Caste Finance and Development Corporation (NSFDC) in 1989 - the apex institution for financing, facilitating and promoting the economic development activities of the persons belonging to the scheduled castes living below the poverty line. For Divisible component of Scheduled Castes Sub-plan, the Government of India has allocated Rs.81.03 crores in 2011-2012.

Inspite of the welfare programmes formulated by the Government for dalits, their access and control over resources of the country is marginal-less than 5 percent. Only 7 percent of the land is owned by the Dalits and among them nearly 70 percent have less than one hectare (National Seminar on Dr. B.R. Ambedkar, Ministry of Social Welfare, Government of India,1991). Among the Dalits, most of those engaged in agricultural work are landless agricultural labourers. Further most of them are underemployed and wages are arbitrary and pitiably low which in turn drives the Dalits into indebtedness.

Nearly half of the Dalit population live under the poverty line and sixty two percent are illiterate. The percentage of dalits below poverty line was 33.8 percent in rural areas and 21.8 percent in urban areas in 2011-12. The average household income for Dalits was of Rs. 30,799 in 2011-2012, just 72 percent of the national

average. Less than 10 percent of Dalit households can afford safe drinking water, electricity and toilets, which is indicative of their deplorable social condition. Moreover, Dalits are daily victims of the worst crimes and atrocities, far outnumbering other sections of society in that respect as well. Although untouchability practices may be declining in many parts of the country, caste rigidities continue to confine many scheduled caste workers in demeaning occupations, which put them at a disadvantage when compared to other communities.

To solve the problem of poverty, dalits are entering into self employment and take up entrepreneurial activities. In India, there were 118.90 thousands of dalit entrepreneurs as against the total of 1563.97 thousands total entrepreneurs (Dalit Indian Chamber of Commerce and Industry, 2011). The enterprises owned by dalit in India mostly belong to traditional and caste based business.

Entrepreneurship as a means of empowerment of Dalit women:

Dalit women in India are considered the Dalits among Dalits and suffer from a three-fold oppression: on account of gender because of existing patriarchy, on account of their caste 'the untouchable' and finally, on account of their class as the poorest and most marginalized communities.

Dalit women are compelled to go for various economic activities primarily due to poverty. Women work as daily labourer for threshing paddy, transplanting and seedling or even as labourer in road or building constructions. More dalit women are engaged in agriculture work and livestock than industries and services and they are likely to be marginalised. Dalit women's place in the family is secondary even if she earns. She does not take any independent decisions.

Self employment is considered to be the best strategy to change dalit women's own self perception and also helps to attain social status. Dalit women entrepreneurs engaged in business due to push and pull factors give confidence to them to have self-sufficient occupation and be independent. Entrepreneurship among dalit women is a recent phenomenon and dalit women entrepreneurship has been recognized as an important source of economic growth. By establishing their new ventures, dalit women entrepreneurs generate new jobs for themselves and others and also provide

society with different solutions to management, organization and business problems (Vijaya Kumar and Naresh, 2013). The emergence of entrepreneurship among the scheduled castes may be understood as a result of the capitalistic development of the country, alongside their own initiative, hard work and innovativeness. (Gurpreet Bal and Paramjit, 2010)

In India, National Confederation of Dalit Organisations (NACDOR), the Consult for Women and Land Rights (CWLR), Women Struggle Committee and Rashtriya Dalit Mahila Andolan were started to establish the rights of dalit women.

However, status of Dalit women entrepreneurs in India is poor. Though these people have commitment to hard work, they have failed to attract the upper caste people or the upper caste people are not ready to accept the economic empowerment of dalit women entrepreneurs. Similarly, dalit women entrepreneurs are in a less favourable position in case of accessing commercial credit from formal financial service providers, more lucrative markets, technology and information to establish and grow the business. Further they face gender-based barriers to starting and growing their business, like discriminatory property, matrimonial and inheritance laws cultural practices; limited mobility, access to information and networks etc. (Amutha, 2011).

In Tamil Nadu dalits comprise of Pallars and Parayars and Arunthathiyars They are socially disadvantaged and are deprived of the benefits of development. According to State Government records, untouchability is being practised in 7000 villages in the State and there are many modes of practice of untouchability. A good proportion of the group houses built for dalits under the Government scheme were in a poor state. Poor living conditions, desperate search for a dignified livelihood and decent wages, constant exploitation and harassment from money lenders and upper caste landlords are part of the day-to-day life of dalit women.

As per 2011 Census, in Tamil Nadu dalit women constitute 2,02,051 accounting for 12.5 percent of total population. (Primary Census Abstract, 2011) and there were 18.12 thousands dalit entrepreneurs accounting for 15 percent of the total entrepreneurs (Dalit Indian Chamber of Commerce and Industry, 2011). In Tamil Nadu Ramai Women Empowerment programme has been implemented to

develop the entrepreneurial competencies of dalit women, to improve their self confidence and motivate independence among them.

At the District level in Coimbatore there were 5,58,727 dalit people of which 3,27,791 were men and 2,30,936 were women in 2011 (www.coimbatore.nic.in). Coimbatore District occupied 6th rank in scheduled caste women population of Tamil Nadu (Primary Census Abstract of Tamil Nadu, 2011). Dalit women in Coimbatore are involved in various enterprises like manufacturing, business and service and there were 821 dalit women entrepreneurs registered with District Industries Centre in 2011-12 (Annual Report of Coimbatore District Industries Centre, 2012).

Need for the study:

The research on dalit women entrepreneurship is scarce and there are few in-depth studies on this subject. In a developing country like India, which is riddled with the unique caste system non-existent anywhere else in the World there is an urgent need for research on Dalit women entrepreneurship. According to Arumugam (2014) dalit women entrepreneurship must be examined both at the individual level (i.e. the choice of being self employed) and at the firm level (the performance of women owned and managed firms) in order to understand the perspective of dalit women entrepreneurship.

Research gap:

In India, the existing studies on women entrepreneurship have analysed the performance of women entrepreneurs only. So far little attempt has been made to analyse dalit women entrepreneurs in Coimbatore District. The current study is unique as it concentrates on dalit women entrepreneurship and tried to find out how far the involvement in entrepreneurship by dalit women helps to improve their economic empowerment.

The current research study on **“Economic empowerment of dalit women through entrepreneurship in Coimbatore District”** was formulated with the following **objectives**:

- To study the socio economic profile of dalit women entrepreneurs;
- To identify the motivating factors of dalit women entrepreneurs;
- To find out the strengths, weakness, opportunities and threats of dalit women entrepreneurs;
- To analyse the entrepreneurial economic success of dalit women entrepreneurs;
- To analyse the economic empowerment of dalit women entrepreneurs;
- To identify the constraints faced by dalit women entrepreneurs and
- To recommend measures to promote dalit women entrepreneurship.

Scope of the study:

The current research study would help to identify key variables responsible for the emergence of entrepreneurship among dalit women, the unique circumstances and conditions that dalit entrepreneurs confront (different from the ones that other sections of society seldom face). The study provides insight into the entrepreneurial challenges among dalit women. The recommendations emanating from the study will provide a guideline for formulation of development programmes for dalits and especially dalit women.

Limitations of the study:

- The study was related to Coimbatore District only and hence adequate care must be exercised when generalizations is to be made for the whole economy.
- The study was related to selected dalit women entrepreneurs registered with Coimbatore District Industries Centre.
- The study was also related to dalit women entrepreneurs in selected self help groups and
- The information given by the respondents is subject to recall bias.