

# Women Entrepreneurship in Kerala-A Comparative Study with Tamil Nadu

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## Introduction

It is a well established fact that the economic development of a country is generally equated with its industrial development. It is the entrepreneur who stands at the centre of the industrial activity and assumes various roles of a country's development process. Large, medium and small industrial units play a mutually complementary role in the integrated and harmonious growth of industrial sector as a whole. However, small enterprises outnumber the larger ones in every country and play a vital role in the process of industrialisation by contributing significantly to production and exports. As the pace of innovation accelerates, small scale sector will provide new opportunities to entrepreneurs to grow. Again, this sector is widely recognised as a valuable foundation in fostering economic growth. Thus, entrepreneurship has now become an important focal point in the third world countries. Any strategy aimed at economic development will be lopsided without involving the women folk who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Owing to the inexorable forces of changes, several women have set the ball rolling. Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region, propelled by foreign direct investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs. In the dynamic world, women entrepreneurs are likely to become an important part of the global quest for sustained economic development and social progress. The regional experience suggests that the key to enhance the participation of women in industry and their socio-economic status is sustained economic growth and macro economic stability. There has been a rapid increase in the efforts to encourage women entrepreneurship in developing countries with the adoption of concrete industrial development goals and strategies. The role of women entrepreneurs is undergoing profound changes in the wake of technological innovations which have brought fresh

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

## Statement of the Problem

Women development is closely associated with national development. Since women constitute half of the total population and account for the second largest group of potential entrepreneurs in India, they also have to play a very important role in the advancement of the country. The Government of India has taken conscious efforts to substantially enhance the spirit of

entrepreneurship among women from the Fifth Five Year Plan (1974-78) onwards. Since then, several developmental programmes have been implemented in this direction. Still, it is a major problem for the Government and promotional agencies to identify potential women entrepreneurs, their current status and problems and to decide, implement and derive optimum benefit of promotional measures to achieve a sustained and speedy growth of women entrepreneurship.

Though the State of Kerala has made significant progress in the field of social development, its rank is relatively low with regard to the investment climate ([www.kerala.gov.in](http://www.kerala.gov.in)). Regarding women entrepreneurship, although Kerala has the maximum number of women-managed units and women enterprises in the SSI sector, compared with that of the other Indian States (Third All India Census of SSI 2004), a generation of entrepreneurship has been lost due to lack of entrepreneurial skill ([www.kerala.gov.in](http://www.kerala.gov.in)). Further, the atmosphere for women to start entrepreneurship, survive and flourish is not encouraging. But in Tamil Nadu, though the status of a woman is low, compared with that of a woman in Kerala, the entrepreneurial ambience of the State is favouring entrepreneurs to flourish and grow. A recent study by the National Council of Applied Economic Research (NCAER) reveals that Tamil Nadu offers the best incentives package for industries, among industrialised States in India and it ranks second at the all India level in terms of attractiveness of incentives ([www.indianbusiness.nic.in](http://www.indianbusiness.nic.in)). Evidently, as per the Third All India Census of SSI-2004, Tamil Nadu ranks second in India with regard to the number of women-managed units and women enterprises in the SSI sector. Over the last few years, the promotion of women entrepreneurship has become a key area of debate among academics, policy makers and support agencies. Though several studies have been conducted in the west, only limited efforts have been made in exploring the women entrepreneurship in India. By and large, these studies have focused on women, more as workers and less as entrepreneurs. So also, these efforts were incomprehensive. Besides, a comparative analysis of women entrepreneurship in two States was also not attempted in its entirety. A comparative analysis, particularly of the women entrepreneurship in Kerala and Tamil Nadu, enables both the States to make use of the positive aspects that have emerged from the study. It is in this background that the present study titled "Women entrepreneurship in Kerala – A comparative study with Tamil Nadu" is attempted.

### Scope of the Study

The study of women entrepreneurship has always been a topic of wider interest and varied facets. The present study has been undertaken to compare the

women entrepreneurship in Kerala and Tamil Nadu. More specifically, the study attempts to assess the socio-economic status of women entrepreneurs, the role and involvement of Government agencies and financial institutions in the development of women entrepreneurship and also the problems of women entrepreneurs. The assessment has been made by considering the perception of sample women entrepreneurs in Kerala and Tamil Nadu, their employees, Government agencies and financial institutions.

However, the focus of the study is the women entrepreneurs. The study is confined to registered SSI units managed by women in Kerala and Tamil Nadu.

### Objectives of the Study

The object of this study is to compare the women entrepreneurship in Kerala and Tamil Nadu. More specifically the study aims at:

1. Investigating the socio-economic status of the women entrepreneurs in Kerala and Tamil Nadu.
2. Identifying the role and involvement of Government agencies and financial institutions in the development of women entrepreneurship in Kerala and Tamil Nadu.
3. Exploring the problems of the women entrepreneurs in Kerala and Tamil Nadu.

### Hypotheses of the Study

In line with the objectives, the following hypotheses were framed.

- Ho1 There is no difference in the socio-economic status of the women entrepreneurs in Kerala vis-à-vis Tamil Nadu.
- Ho2 There is no variation in the role and involvement of Government agencies in the development of women entrepreneurship in Kerala vis-à-vis Tamil Nadu.
- Ho3 There is no difference in the role and involvement of financial institutions in the development of women entrepreneurship in Kerala vis-à-vis Tamil Nadu.

### Selection of Sample

The respondents of the study consist of women entrepreneurs, their employees, Government agencies and financial institutions of both Kerala and Tamil Nadu. The women entrepreneurs have been selected from the data base maintained by the Directorate of Industries and Commerce of Kerala and the Department of Industries and Commerce, Tamil Nadu. The employees, Government agencies and financial institutions have been selected from the records of the sample women entrepreneurs.

For selecting the women entrepreneurs, the States of Kerala and Tamil Nadu were first divided into three zones-south, central and north. From these

zones, one district each representing south, central and north (Alappuzha, Ernakulam and Malappuram in Kerala and Madurai, Dharmapuri and Chennai in Tamil Nadu) have been selected at random. There were in all 6541 women-managed SSI units in the selected districts of Kerala (2522 in Alappuzha, 3037 in Ernakulam and 982 in Malppuram) and 3130 in Tamil Nadu (671 in Madurai, 1617 in Dharmapuri and 842 in Chennai) as on 31-3-2000. Five per cent have been chosen at random for the study. Thus, the total number of women entrepreneurs selected as sample has come to 327 for Kerala and 160 for Tamil Nadu. The employees have been selected from the records of the women entrepreneurs earmarked for the intensive study. 10 per cent of their permanent employees (307 from Kerala and 72 from Tamil Nadu) have been selected at random. The employees include both males and females comprising skilled and unskilled workers, officers and managers. The Government agencies from where the sample women entrepreneurs in Kerala and Tamil Nadu availed themselves of various assistances have been selected as the sample for the study. The total number selected on this basis consists of 15 agencies from Kerala and 10 from Tamil Nadu development/support assistance have been selected as sample financial institutions for the study. A total number of 16 institutions each in Kerala and Tamil Nadu have been selected for the study.

### Collection of Data

The data required for the study were collected from both primary and secondary sources. The primary data were collected from the respondents based on structured interview schedule. The secondary data were collected from reports, books, periodicals and the Internet.

### Tools of Analysis

The data collected were suitably classified and analysed keeping in view the objectives of the study. For the purpose of analysis, statistical tools like averages, percentages, rank test, chi-square test, z-test, t-test and proportion test were used. The chi-square test was applied to examine the significance of variation in the opinion among the women entrepreneurs in Kerala and Tamil Nadu. The z-test was used to test the quantitative characteristics of women entrepreneurs, while the rank test was used to assess the order of preference associated with the selected variables. The t-test was used to determine whether the women entrepreneurs selected as sample in Kerala and Tamil Nadu are likely to have come from the same two underlying populations that have the same mean. The proportion test was conducted to assess whether the ratio of the number of respondents in favour/ to the total number of

respondents in Kerala and Tamil Nadu is equal or not.

### Period of the Study

The study covers a period of ten years from 1996 to 2005. It was during the period that several major schemes were introduced by the Ministry of Rural Development to bring women to the mainstream of national development. Further, the year 2001 was declared as "Women's Empowerment Year" during which the National Policy for the empowerment of women was evolved to bring about the advancement, development and empowerment of women, which included enhancement of women's access to credit, expansion of training programmes in various sectors, etc. The survey (for collecting primary data) was conducted during the period from July to December 2005.

### Limitations of the Study

The limitations which influenced the study are listed below:

1. The co-operation of respondents is very much required for a survey-based research. The co-operation of a few respondents did not come up to the expectations.
2. As most of the women enterprises in Kerala and Tamil Nadu are SSI units with limited capital investment, the study is mainly confined to assessing their socio-economic status, problems, etc. This may not be the situation of large sized women-managed enterprises with high capital investment.
3. As one of the objectives of the study is to investigate the socio-economic status of women entrepreneurs, entrepreneurs who have registered after 31.3.2000 are not considered objectively, as a period of minimum five years would be required to assess the socio-economic status of women entrepreneurs.
4. Since the Government machinery does not maintain relevant records of women entrepreneurs, the study assumes that the data supplied by the respondents are reliable and correct. In spite of the above limitations, maximum care has been taken to make the study accurate and meaningful.

### Chapter scheme

The study is organised in seven chapters. At the very outset, a theoretical background has been created to describe the profile of women entrepreneurship, viz. concept, evolution and importance of women entrepreneurship, women entrepreneurship in India, Kerala and Tamil Nadu and institutions promoting women entrepreneurship in India, Kerala and Tamil Nadu. The second chapter reviews earlier studies on women entrepreneurship. The statement of the problem,

scope of the study, objectives, hypotheses, sample, collection of data, tools of analysis, period of study and limitations of the study are given in chapter 3. The socio-economic status of women entrepreneurs in Kerala and Tamil Nadu is analysed in chapter 4. Chapter 5 dwells on the role and involvement of Government agencies and financial institutions in the development of women entrepreneurship in Kerala and Tamil Nadu. The problems of women entrepreneurs in Kerala and Tamil Nadu are explored in Chapter 6. Chapter 7 sums up the findings of the study and advances proposals for the promotion of women entrepreneurship in Kerala and Tamil Nadu.

### Major Findings of the Study

The major findings of the study on the basis of the analysis of the data are summarised below:-

#### Socio-Economic Status of the Women Entrepreneurs in Kerala and Tamil Nadu

1. 70 per cent of the women entrepreneurs in Kerala and 91 per cent in Tamil Nadu were owners of the business. Rest of them in Kerala had the position of members and managing directors, whereas in Tamil Nadu, a few had the position of partners.
2. In both the States, for 86 per cent of the women entrepreneurs, the decision making power was very high. 14 per cent in Kerala and 10 per cent in Tamil Nadu enjoyed a high decision making power.
3. In the case of 87 per cent women entrepreneurs in Kerala and 75 per cent in Tamil Nadu, employees always accepted the decisions of their employers. In Kerala, most of the employers were able to get the cooperation of their employees through love and affection as there existed a good employer-employee relationship, whereas in Tamil Nadu most of the employers used their commanding power to get things done by their employees. No good employer-employee relationship existed in Tamil Nadu.
4. 86 per cent of the women entrepreneurs in Kerala and 87 per cent in Tamil Nadu enjoyed very high power in solving their business problems. One per cent in Kerala and five per cent in Tamil Nadu exercised moderate power.
5. Unlike Tamil Nadu, 94 per cent of employees of the women entrepreneurs in Kerala strongly disagreed with the statement that men could manage the business more efficiently than women. Meanwhile, in Tamil Nadu 51 per cent agreed to some extent with this statement. 6. 99 per cent of the employees in Kerala felt that women entrepreneurs possessed a very high leadership skill. In Tamil Nadu, only three per cent appreciated the leadership skills of their employers.
7. The majority of the women entrepreneurs in Kerala and Tamil Nadu did not participate in social activities. But, 23 per cent in Kerala and 20 per cent in Tamil Nadu were actively involved in social activities, despite their business constraints.
8. Most of the women entrepreneurs in Kerala and Tamil Nadu were members of different business associations, viz. merchants associations, KSWIA, MOOWES, WEPA, etc., as these associations provided a forum to discuss some of their common business problems. Membership in charitable organisation was ranked second in both the States.
9. The women entrepreneurs in Kerala and Tamil Nadu were involved in social activities for mental satisfaction. Most of them ranked 'social commitment' as the second reason for their involvement.
10. The majority of the women entrepreneurs in Kerala organised/participated in medical camps and health awareness programmes simultaneously, whereas in Tamil Nadu most of them participated in relief camps.
11. A large majority of the women entrepreneurs in Kerala and Tamil Nadu spent less than ₹ 3000 for social activities.
12. 57 per cent of the women entrepreneurs in Kerala and 58 per cent in Tamil Nadu had achieved a growth of 100 per cent and more in the total assets. Only a few in Kerala and Tamil Nadu had a negative growth.
13. 46 per cent of the women entrepreneurs in Kerala and 33 per cent in Tamil Nadu had registered a growth of 100 per cent and more in the fixed assets. In Kerala, one per cent had a decrease in their fixed assets.
14. 67 per cent of the women entrepreneurs in Kerala and 65 per cent in Tamil Nadu had registered a growth of 100 per cent and more in the working capital and annual expenditure. But seven per cent in Kerala and three per cent in Tamil Nadu had a decrease.
15. The annual savings of 61 per cent of the women entrepreneurs in Kerala and 52 per cent in Tamil Nadu had increased by 100 per cent and more. Three per cent in Kerala and one per cent in Tamil Nadu had a negative growth.
16. Both in Kerala and Tamil Nadu, the major skill developed by the women entrepreneurs through entrepreneurship was the communication skill. Management skill ranked second in Kerala and self-confidence ranked second in Tamil Nadu. But the women entrepreneurs of both the States still did not enjoy much independence.
17. In Kerala, 32 per cent of the women entrepreneurs got high respect in the family even before they became entrepreneurs. In Tamil Nadu a greater percentage (56%) got no respect. But, after becoming entrepreneurs, most of them ( in

- Kerala and Tamil Nadu ) got very good respect in their family and in this case also the percentage was very high in Tamil Nadu.
18. 33 per cent of the women entrepreneurs in Kerala and 56 per cent in Tamil Nadu got no respect in the society before becoming entrepreneurs. When compared to Kerala, the percentage was very high in Tamil Nadu. However, 28 per cent of the women entrepreneurs in Kerala got high respect. But 84 per cent in Kerala and 97 per cent Tamil Nadu got very good respect in the society after becoming entrepreneurs.
  19. 60 per cent of the women entrepreneurs in Kerala and 68 per cent in Tamil Nadu had no involvement in social activities before becoming entrepreneurs. Even after becoming entrepreneurs, the position has not improved much. Only a few in Kerala and Tamil Nadu were actively participating in social activities. Regarding involvement in political activities, almost all the women entrepreneurs in Kerala and Tamil Nadu had no involvement before becoming entrepreneurs. Even after becoming entrepreneurs, only two per cent in Kerala and six per cent in Tamil Nadu were actively involved in political activities.
  20. 48 per cent of the women entrepreneurs in Kerala and 73 per cent in Tamil Nadu had not given any advice before becoming entrepreneurs. However, most of them became capable of giving advice to friends and relatives after becoming entrepreneurs. 63 per cent in Kerala and 60 per cent in Tamil Nadu had given advice to friends/relatives and their degree of involvement in this aspect was also very high.
  21. 36 per cent of the women entrepreneurs in Kerala and 63 per cent in Tamil Nadu had no freedom in mobility before becoming entrepreneurs, but 74 per cent in Kerala and 89 per cent in Tamil Nadu had a high degree of freedom in mobility after becoming entrepreneurs.
  22. 54 per cent of the women entrepreneurs in Kerala and 74 per cent in Tamil Nadu had no access to information and communication technology before becoming entrepreneurs and their access had not changed much even after becoming entrepreneurs. Only 30 per cent in Kerala and 22 per cent in Tamil Nadu had good access to information and communication technology.
- 2 Role and Involvement of Government Agencies and Financial Institutions in the Development of Women Entrepreneurship**
1. The women entrepreneurs in Kerala and Tamil Nadu had approached DIC, DRDA, CDS and SISI. In Tamil Nadu , SISI was ranked second, as the certificate issued by the SISI helped them to avail themselves of loan easily from banks and also to get other concessions. The major service utilised by the women entrepreneurs in both the States was training. A greater percentage had attended PMRY training in Kerala and it was EDP training in Tamil Nadu. The women entrepreneurs in both the States had also attended skill upgradating training. The major skill developed by the women entrepreneurs in both the States through training was technical skill. Only 14 per cent in Kerala and eight per cent in Tamil Nadu had complete awareness of the Government agencies assisting women entrepreneurship. In this aspect, the women entrepreneurs in Kerala were better. The women entrepreneurs in Kerala were able to modernise their units with the help of the Government agencies, whereas the women entrepreneurs in Tamil Nadu were able to get better price for their products with the help of Government agencies.
  2. 52 per cent of the women entrepreneurs in Kerala and 81 per cent in Tamil Nadu had not attended training, 67 per cent in Kerala and 73 per cent in Tamil Nadu had not utilised other development/support services. Of the women entrepreneurs who had received training and other development/ support services, only one per cent in Kerala was dissatisfied with the training schemes and another one per cent was dissatisfied with the other development/support services. In Tamil Nadu, one per cent was not satisfied with any of these assistances. 'Unwanted delay' and 'attitude of the staff' were the major reasons for dissatisfaction in Kerala. Meanwhile, 'unwanted delay' was the major reason in Tamil Nadu. Those who were satisfied with the services identified 'qualitative services' as the main reason for their satisfaction.
  3. Most of the women entrepreneurs in Kerala largely depended on training, consultancy, marketing, trade fairs and exhibition facilities. But, in Tamil Nadu, in addition to the above, the women entrepreneurs also depended on infrastructure and free stall.
  4. The majority of the Government agencies in Kerala and Tamil Nadu felt that the women entrepreneurs were good in identification of the project. With regard to the project preparation, most of the Government agencies in Kerala and Tamil Nadu had only a satisfactory opinion. Regarding the awareness of the promotional institutions and their schemes, a greater number of Government agencies in Kerala rated the women entrepreneurs as good but in Tamil Nadu, most of them had only a satisfactory opinion. Regarding participation in training/seminars and workshops, 47 per cent

- rated them as good in Kerala, whereas 45 per cent in Tamil Nadu had rated them as excellent.
5. 40 per cent of the Government agencies in Kerala and 56 per cent in Tamil Nadu felt that the performance of the women entrepreneurs in training/ seminars/workshops was good. 33 per cent of the Government agencies in Kerala and Tamil Nadu were satisfied with the performance of the women entrepreneurs after training. Further, 27 per cent in Kerala and 33 per cent in Tamil Nadu had rated their performance as good. 46 per cent of the Government agencies in Kerala had only a satisfactory opinion about the utilisation of facilities by the women entrepreneurs, whereas 67 per cent of the agencies in Tamil Nadu responded that they were good in this aspect.
  6. Both in Kerala and Tamil Nadu, a large number of the Government agencies had rated the performance of the women entrepreneurs in utilising the loan amount as good. The women entrepreneurs were rated as good in repayment of loan by 47 per cent of the Government agencies in Kerala and rated as excellent by 45 per cent of the agencies in Tamil Nadu .
  7. The performance of the women entrepreneurs in running the business was rated as good (33%) and as satisfactory (33%) by the Government agencies in Kerala and 45 per cent in Tamil Nadu rated as satisfactory. With regard to the expansion of business by the women entrepreneurs, 47 per cent of the Government agencies in Kerala and 34 per cent in Tamil Nadu had only a satisfactory opinion. 33 per cent of the agencies in Kerala and 56 per cent in Tamil Nadu were satisfied with the risk taking ability of the women entrepreneurs.
  8. Regarding social responsibility, 47 per cent of the Government agencies in Kerala and 67 per cent in Tamil Nadu felt that the women entrepreneurs were good. 40 per cent of the Government agencies in Kerala were satisfied with the women entrepreneurs' decision making ability, while in Tamil Nadu, 89 per cent felt that the women entrepreneurs were good in decision making.
  9. 60 per cent of the women entrepreneurs in Kerala and 49 per cent in Tamil Nadu had no awareness of the financial institutions. Most of the women entrepreneurs in Kerala and Tamil Nadu had approached mainly public sector banks for financial assistance.
  10. The predominant reason for the rejection of loan proposals by the financial institutions in Kerala was the 'unsatisfactory investment proposal' of the women entrepreneurs, whereas in Tamil Nadu the main reason was the unfulfillment of the eligibility criteria specified by the financial institutions.
  11. The majority of the women entrepreneurs in Kerala and Tamil Nadu had no awareness about the lending schemes. 33 per cent of the women entrepreneurs in Kerala obtained information about the lending schemes from Government agencies and banks and another 32 per cent got information from banks only. Meanwhile, in Tamil Nadu, 46 per cent got information from banks.
  12. 79 per cent of the women entrepreneurs in Kerala and 52 per cent in Tamil Nadu had availed themselves of various assistances from financial institutions. Out of this, 93 per cent in Kerala and 94 per cent in Tamil Nadu had obtained financial assistance and only six per cent in Kerala and five per cent in Tamil Nadu had received all the assistances.
  13. A greater number of the women entrepreneurs in Kerala had taken PMRY loan. But, in Tamil Nadu most of them had taken 'term loan and working capital assistance under single window scheme'. Working capital assistance was ranked second in both Kerala and Tamil Nadu.
  14. 80 per cent of the women entrepreneurs in Kerala and 49 per cent in Tamil Nadu had borrowed funds for their business requirements in the initial period. Most of them had a share of 50 to 75 per cent as borrowed funds in the total investment. Meanwhile, 25 per cent of the women entrepreneurs in Kerala and 41 per cent in Tamil Nadu had borrowed funds for their business requirements in the present tenure. Out of this, 36 per cent in Kerala and 37 per cent in Tamil Nadu had borrowed to the extent of 25 to 50 per cent of their total investment. 17 per cent in Kerala and 26 per cent in Tamil Nadu have borrowed 75 to 100 per cent.
  15. 79 per cent of the women entrepreneurs in Kerala and 39 per cent in Tamil Nadu had borrowed from financial institutions in the initial period. Of which, for 92 per cent in Kerala and 49 per cent in Tamil Nadu, the share of financial institutions in the borrowed funds ranged from 75 to 100 per cent. Only 6 per cent in Kerala had a share of 50 to 75 per cent, but this per cent was relatively very high in Tamil Nadu, which was 49 per cent. 24 per cent of the women entrepreneurs in Kerala and 33 per cent in Tamil Nadu had borrowed funds from financial institutions for the business in the present period. Out of this, for 99 per cent of the women entrepreneurs in Kerala and 31 per cent in Tamil Nadu, the share of financial institutions in the borrowed funds ranged from 75 to 100 per cent. However, in Tamil Nadu, the majority (37%) had borrowed to the extent of 25 to 50 per cent.
  16. In Kerala, the women entrepreneurs were able to increase production with the help of

- financial institutions, whereas 'reduction of cost' was the main benefit received by the women entrepreneurs in Tamil Nadu.
17. 42 per cent of the women entrepreneurs in Kerala and 38 per cent in Tamil Nadu were extremely satisfied with the lending schemes of financial institutions and another 39 per cent in Kerala and 11 per cent in Tamil Nadu were satisfied. In Kerala 'easy availability' was the main reason for satisfaction. But, in Tamil Nadu, the major reason was the 'subsidy and incentives'.
  18. Regarding the level of satisfaction of the women entrepreneurs of general services of the financial institutions, 45 per cent in Kerala and 39 per cent in Tamil Nadu were extremely satisfied. 'Friendly attitude' of the staff was the main reason for the satisfaction both in Kerala and Tamil Nadu. The women entrepreneurs were also satisfied with the 'encouragement of the staff', which was ranked second in Kerala, whereas in Tamil Nadu, it was 'quick sanctioning and processing of loans'.
  19. 25 per cent of the women entrepreneurs in Kerala and three per cent in Tamil Nadu were either not satisfied or dissatisfied with the lending schemes. 'Demand of collateral security' was the major reason for their dissatisfaction (both in Kerala and Tamil Nadu). They had also complained about the 'high interest rate' charged by the financial institutions. 22 per cent in Kerala and three per cent in Tamil Nadu were dissatisfied with the general services of the institutions. The women entrepreneurs who were not satisfied with the general services stated that 'unwanted delay' was the major reason for their dissatisfaction (both in Kerala and Tamil Nadu).
  20. Most of the financial institutions in Kerala and Tamil Nadu felt that the women entrepreneurs were good in identification of the project. Regarding project preparation, 56 per cent of the financial institutions in Kerala and 63 per cent in Tamil Nadu rated the women entrepreneurs as good. In Kerala, 44 per cent of the financial institutions felt that the awareness of the women entrepreneurs about the promotional institutions and their schemes was poor, whereas in Tamil Nadu, 75 per cent rated them as satisfactory.
  21. 50 per cent of the financial institutions in Kerala were satisfied with the women entrepreneurs' participation in training/seminars and workshops, whereas, in Tamil Nadu, 31 per cent felt that they were good in this aspect. In Kerala, 44 per cent of the financial institutions rated the performance of the women entrepreneurs in training/ workshop as good, whereas in Tamil Nadu, 25 per cent rated them as good but, 31 per cent had no opinion about their performance. 43 per cent of the financial institutions in Kerala opined that the performance of the women entrepreneurs after training was satisfactory. In Tamil Nadu 38 per cent rated it as good and another 31 per cent rated it as satisfactory.
  22. In Kerala, there were differences in the opinion among the financial institutions about the performance of the women entrepreneurs in utilising facilities. 25 per cent rated it as excellent, another 25 per cent rated it as poor. But 50 per cent of the financial institutions in Tamil Nadu rated it as good and another 12 per cent as excellent.
  23. In Kerala, 50 per cent of the financial institutions had satisfactory opinion about the women entrepreneurs utilising loan amount. In Tamil Nadu, 63 per cent rated it as good. The women entrepreneurs were rated as excellent in repayment of loan by 38 per cent of the financial institutions in Kerala and another 38 per cent rated them as satisfactory, whereas 50 per cent of the financial institutions in Tamil Nadu rated them as excellent and further, 31 per cent rated as good. 63 per cent of the financial institutions in Kerala and 44 per cent in Tamil Nadu stated that the performance of the women entrepreneurs in running business was only satisfactory.
  24. Regarding the expansion of business by the women entrepreneurs, 56 per cent of the financial institutions in Kerala and Tamil Nadu opined that their performance was only satisfactory. 38 per cent of the financial institutions in Kerala opined that the women entrepreneurs had poor risk taking ability. But in Tamil Nadu, 44 per cent had satisfactory opinion. Further, 31 per cent of the financial institutions in both the States had a good opinion about their risk taking ability.
  25. The women entrepreneurs were rated as good in social responsibility by most of the financial institutions in Kerala and Tamil Nadu. The majority of the financial institutions in Kerala and Tamil Nadu rated the decision making ability of the women entrepreneurs as satisfactory.
- ### 3 Problems of the Women Entrepreneurs in Kerala and Tamil Nadu
1. 86 per cent of the women entrepreneurs in Kerala and 67 per cent in Tamil Nadu faced different problems in running the business. Most of the women entrepreneurs in Kerala faced financial problems, but, in Tamil Nadu, the women entrepreneurs faced marketing problems. Further, a few women entrepreneurs in Kerala also faced training problem. 36 per cent of the respondents in Kerala and 14 per cent in Tamil Nadu faced different financial

- problems. The basic financial problem of the women entrepreneurs in Kerala and Tamil Nadu was that of liquidity. 58 per cent of the women entrepreneurs in Kerala and 14 per cent in Tamil Nadu faced the problem of non availability of credit. Lack of collateral security was the basic reason for the women entrepreneurs in Kerala and Tamil Nadu not getting adequate credit from financial institutions. A large majority of the women entrepreneurs in Kerala and in Tamil Nadu were utilising their personal savings to tide over of financial crisis.
2. 22 per cent of the respondents in Kerala and 23 per cent in Tamil Nadu faced production problems. High production cost was the main production problem faced by the women entrepreneurs in both Kerala and Tamil Nadu. High cost of inputs was the main reason for high cost of production. 14 per cent of the women entrepreneurs in Kerala and three per cent in Tamil Nadu took steps to solve their production problems. Importing of cheap labour was the major step taken by the women entrepreneurs in Kerala to reduce the cost of production and they took quality control as the next step. In Tamil Nadu, the women entrepreneurs took two different steps to solve their production problems, viz. purchasing quality materials and modern machinery and they took research and development as a second step.
  3. 28 per cent of the women entrepreneurs in Kerala and 19 per cent in Tamil Nadu faced labour problems. High labour absenteeism was the major labour problem faced by the women entrepreneurs in Kerala and Tamil Nadu. 22 per cent of the women entrepreneurs in Kerala and five per cent in Tamil Nadu took steps to solve their labour problems. The women entrepreneurs in Kerala mainly resorted to the practice of giving incentives to employees as a step to solve their labour problem. Meanwhile, in Tamil Nadu the women entrepreneurs preferred to punish the employees for default as their first step.
  4. 69 per cent of the women entrepreneurs in Kerala and 52 per cent in Tamil Nadu faced marketing problems. 'Problem of demand' was the major marketing problem of the women entrepreneurs in Kerala and Tamil Nadu. 'Large number of suppliers' and 'low price' were the two main reasons for the poor demand. 15 per cent of the women entrepreneurs in Kerala and five per cent in Tamil Nadu took various steps to solve their marketing problems. In Kerala, the women entrepreneurs adopted the technique of product differentiation as the first step to solve their marketing problem. Meanwhile, in Tamil Nadu the women entrepreneurs felt that participation in trade fairs/ exhibitions was the best step to solve the marketing problem.
  5. 36 per cent in Kerala and 10 per cent in Tamil Nadu faced personal problems. 'Family responsibilities' was the basic personal problem of the women entrepreneurs in Kerala and Tamil Nadu. 16 per cent of the women entrepreneurs in Kerala and six per cent in Tamil Nadu took steps to solve their personal problems. Most of the women entrepreneurs in Kerala and Tamil Nadu relied on servants/parents to solve their personal problems.
  6. Six per cent of the women entrepreneurs in Kerala faced training problems. But, no single woman entrepreneur in Tamil Nadu faced training problem. Lack of time to attend the training, huge training cost and long distance to the training centres were the major training problems faced by the women entrepreneurs in Kerala.

### Recommendations

Based on the findings, the following proposals are advanced so as to promote women entrepreneurship in Kerala and Tamil Nadu.

#### 1. Start Training Centres in Every District

The study revealed that most of the women entrepreneurs in Kerala and Tamil Nadu faced different problems, viz. financial, marketing, production, labour, etc. in running the business. Even after entering business, they had poor access to information and communication technology. Further, the women entrepreneurs in Tamil Nadu did not possess leadership skill in managing the business. Training is found to be the best method to encourage women entrepreneurship, to develop the personality traits of women entrepreneurs, to face different problems daringly, to have more access to information and communication technology and to encourage women to undertake risky ventures. At present, training centres are functioning only in some districts of Kerala and Tamil Nadu. This causes inconvenience to the women entrepreneurs of other districts. The study also revealed that some women entrepreneurs in Kerala faced the problem of training because of this reason. Therefore, the Government of both the States may start training centres in every district which would help women entrepreneurs to remedy the various maladies that afflict them.

#### 2. Set up District Women Entrepreneurship Promotion Cell

It is observed that there is a significant decrease in the investment, annual turnover, annual income, etc. of some of the women entrepreneurs (both in Kerala and Tamil Nadu), in the current period compared with that of the initial period, which is a symptom of sickness of their units. A review of the progress of



the small scale units at least once in a year by the Government could help to revive the sick units. Setting up of District Women Entrepreneurship Promotion Cell would facilitate to monitor and review the functioning of the women SSI units and this may also help to avoid or reduce the incidence of sickness. This Cell could also operate 'single window clearance system' which would facilitate women entrepreneurs to avoid delay in the setting up of their businesses.

### **3. Conduct Periodical Meeting of the Women Entrepreneurs**

The study observed that most of the women entrepreneurs in Kerala and Tamil Nadu had no awareness about financial institutions and their schemes and had not attended training or utilised other development/support services of the Government agencies. Further, the Government agencies and financial institutions in Kerala and Tamil Nadu feel that the performance of the women entrepreneurs in running and expanding businesses is only satisfactory. It is also observed that training programmes offered by the Government agencies in both the States are excellent, and those who had availed themselves of the services of both the Government agencies and financial institutions were satisfied with the services. But these facilities were unutilised by most of the women entrepreneurs. Some of the women entrepreneurs did not approach financial institutions or could not take loan from them because of the problem of unwanted delay in the sanctioning of loan, indifferent attitude of the staff and neglect. Hence, it is suggested that periodical meetings organised at the block and district level by the Government agencies would enable the women entrepreneurs to get clear ideas about the various Government agencies, financial institutions and their current schemes. Also it provides a forum for expressing their needs and grievances.

### **4. Improve the Quality of Service of the Government Agencies and Financial Institutions**

It is observed that some women entrepreneurs in Kerala and Tamil Nadu, who had utilised the services of the Government agencies and financial institutions, were not satisfied with the services, due to unwanted delay and apathetic attitude of the staff. Some women entrepreneurs in Kerala faced the problems, viz. delay in getting documents like statement of account, income tax certificate, etc. after taking loan from banks. Some others, who utilised PMRY loan, were denied subsidy without any genuine grounds. Hence, it is suggested that the quality of services of Government agencies /financial institutions could be improved by retaining customer-friendly Government / bank

staff, especially in rural areas, for assisting genuine the women entrepreneurs.

### **5. Formulate Liberalised Loan Schemes to Women Entrepreneurs**

The study revealed that the major problem faced by the women entrepreneurs in Kerala was financial and they ranked 'poor security', as the first nature of the financial problem. Further, some women entrepreneurs in the service sector (driving school) were denied bank loan. Also, some banks in Kerala insisted on collateral, from women entrepreneurs who were unaware of the Government policies and schemes, for granting PMRY loan. Government may take steps to ensure that conditions are applied uniformly to all women entrepreneurs, irrespective of their financial position. Again, owing to poor or non-availability of credit from financial institutions, women entrepreneurs were compelled to borrow from money lenders, which increased their financial burden. So it is proposed to formulate liberalised loan schemes for women entrepreneurs. Further, they should be provided with adequate credit not only at the initial stage but also subsequently for expansion, diversification and modernisation. Introduction of credit guarantee schemes for the women entrepreneurs by the Government would also enable the genuine women entrepreneurs to utilise required credit from banks without any collateral.

### **6. Open Women SSI Bank Branch in Every District**

An SSI bank branch specifically for women and operated by women would be helpful to women entrepreneurs, which is not functioning at present in all the districts of Kerala and Tamil Nadu. Therefore, it is proposed that a women SSI bank branch may be opened in every district of Kerala and Tamil Nadu to carry out their banking activities freely.

### **7. Constitute Separate Section for Women Entrepreneurs in DICs**

No separate data relating to women entrepreneurs are maintained by the DICs in Kerala and Tamil Nadu. A reliable data base, especially for women entrepreneurs, is imperative to assess their performance and contribution to the national economy. Therefore, maintenance of a separate section for women entrepreneurs in DICs to deal with all matters relating women, viz. Promotion of women entrepreneurship, maintenance of separate data for women SSI units, organisation of women entrepreneurship development programmes, guidance, redress of grievances, etc. would make it easier for the Government and other agencies to effectively implement their policies and programmes for the promotion of women entrepreneurship.

### **8. Provide Concession and Preference in Trade Fairs/Exhibitions**

Women entrepreneurs consider trade fairs/exhibitions as one of the best ways for marketing their products. But owing to financial constraints, they could not participate in trade fairs and exhibitions organised by the Government agencies during festival or other seasons. For encouraging the marketing of the products of women's enterprises, the women entrepreneurs must be given opportunities to participate in trade fairs/exhibitions by giving preference and also giving concession in stall rent (In Tamil Nadu, concession in stall rent is in vogue). Further, some women entrepreneurs (in both the States) who participated in the trade fairs/exhibitions organised in other States, faced language problem, which seriously affected their marketing. This problem could be solved if the Government makes necessary arrangements to hire local people to present the products to the buyers in regional language.

### **9. Create Good Employer-Employee Relationship**

It is observed that in Tamil Nadu, the employer-employee relationship is not good. For the success and expansion of the business, good employer employee relationship is a must. Therefore, the women entrepreneurs must cultivate a new labour-management culture in the organisation by adopting innovative schemes of industrial relations.

### **10. Change the Attitude towards Women Entrepreneurs**

It is observed that women entrepreneurs are facing several problems from their family members, local people, Government officials and other organisations, which seriously affected the setting up and functioning of their businesses. Their attitude badly needs a marked change. They can be more sympathetic, positive and encouraging. This may help them in the successful functioning of their businesses in a big way. Encouragement on the part of the society is also essential to prompt more and more women to enter this field.

### **11. Conduct Periodic Inspection**

It is observed that seven per cent of the Government agencies in Kerala and 33 per cent in Tamil Nadu felt that the utilisation of loan amount by women entrepreneurs was poor. Also, 50 per cent of the financial institutions in Kerala 6 per cent in Tamil Nadu had only a satisfactory opinion in this regard. In the case of loans like margin money loan, bridge loan, working capital loan, etc. there is the possibility of utilisation of loan amount for consumption purpose by some women entrepreneurs. Periodic inspection of the units by the officials of Government agencies/financial institutions, after granting of the above mentioned loans may prevent this tendency.

### **12. Circulation of Brochures in Local Languages**

It is observed that a large number of women entrepreneurs are not able to understand the contents of the brochures and other materials supplied to them at the time of attending the training, since they are in English. Therefore, the Government agencies and financial institutions, while conducting training, seminars, workshops and meetings, may make sure that all the women entrepreneurs get the printed materials in a language intelligible to them.

### **13. Ensure Marketing of Women Products through Government Outlets**

The study also revealed that most of the women entrepreneurs in Kerala and Tamil Nadu are exploited by the wholesalers and retailers by way of huge commission, free samples, low price, and return of dead stock after the expiry period, etc. So the Governments of Kerala and Tamil Nadu may ensure the marketing of the products of women's enterprises through Government outlets.

### **14. Develop Competitive Mind**

Though the women entrepreneurs in Kerala and Tamil Nadu are facing a number of problems, viz. financial, marketing, etc. they should not always look for help from the Government or any financial institutions. They should work with confidence and courage and also develop a competitive mind. This will help them to succeed in businesses.

### **15. Introduce Pension Scheme**

It is inferred from the study that a significant number of women entrepreneurs in Kerala and Tamil Nadu (39%), are either single/divorced or widowed whose source of livelihood is exclusively their business. As they could not continue their businesses in their old age, a support from the Government by way of pension would give them protection in life. Therefore, it is proposed that the Government may introduce a pension scheme for women entrepreneurs and this may attract more women to the entrepreneurial field.