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Enterprises (SMEs) in Global Era**

**DEPARTMENT OF COMMERCE (CA)**

**26<sup>th</sup> August 2017**



**MANGAYARKARASI COLLEGE OF ARTS & SCIENCE FOR WOMEN**

(Affiliated to Madurai Kamaraj University)

Certified with ISO 9001:2015 Accredited with 'B' grade by NAAC

Paravai, Madurai – 625 402





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This special issue of Shanlax International Journal of Commerce comprises the selected peer-reviewed papers sent to the International Conference on Entrepreneurship and development of small and medium scale enterprises in Global Era organized by the Department of Commerce with Computer Application. 27 out of 43 articles received are published in this journal.

The present education system many times alienates us from our roots, in the present era of globalization we have to educate our students about the importance of Entrepreneurship through SMEs.

We have a great challenge in preparing our society and Government for globalization and the information and communication revolution. This Conference brings in Scholars and Intellectual Professors of Commerce Management and Information Technology of various colleges and universities to join hands in presenting Entrepreneurship and development of small and medium scale enterprises in Global Era.

The Journal is intended as a forum for Scholars to share their knowledge and expertise views regarding the topic. This fine collection of articles will be a valuable resource and will stimulate further research into this vibrant area.

I wish all the Success.



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## **ACKNOWLEDGEMENT**

We, take this opportunity to gratefully acknowledge the Assistance and Contributions of all our eminent and prestigious members who have helped for the grand success of the conference.

We are immensely pleased to express our sincere thanks to our Secretary **Shri. P. Ashok Kumar**, for his excellent academic spirit exhibited by granting permission, extending support for the successful outcome of this edition.

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We express our deep sense of gratitude and affection to our **Principal, Dr. Mrs. S. Rajeswari** for her Valuable support During the Entire Process of this conference.

We humbly extend our thanks to All the Head of the Departments in this Institutions.

All academicians and research scholars whom deserve all corners of appreciation for their valuable and high potential papers for the outcome of this International edited Journal.

Our colleagues who are always the backbone of this programme are to be thanked whole heartedly.

We are thankful to the Shanlax International publishers, Madurai for their valuable guidance to bring this Journal in a successful manner.



**Dr. Mrs. K. Bala Sathya**  
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## **OPPORTUNITIES IN HOSPITALITY SECTORS FOR THE DEVELOPMENT OF TOURISM INDUSTRY: A CASE OF SUPPORTING SMEs**

**Mr.P.Srinivasan**

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### **Abstract**

*Tourism is a dominated industry which continues to grow even as other industries are suffering. Tourism opens up many avenues for entrepreneurs who are interested in entering the market. Many entrepreneurs have seen a gap in this sector and seized the opportunities offered and as a result have developed into successful SME (Small and Medium Sized Enterprises). Out of that Hospitality is one among the sectors which is always supports for the growth of Tourism Industry. Here, SMEs play a key role in providing adequate products and services to tourists by responding to their most specific requirements. The hospitality industry's backbone is comprised of customer service, a concept shared by all segments of the industry. All most all small business may focus on any one or all facets of hospitality. How accomplished SME's serves and support the business will determine the level of success. Here the different Hospitality sectors and the opportunities are going to be furnished for the development of Tourism Industry. However, it is not easy to excel and achieve success in just one category of the hospitality industry. It needs coordination and co operations to satisfying the customers, again the costs and the challenges will increase, owning or managing several facets of hospitality sectors. Therefore, it has been justified that SME's association can provide many more opportunities to generate success.*

**Keywords:** Tourism, Hospitality, SME, Business, entrepreneurs.

### **Introduction**

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Therefore if the Hospitality sectors match with tourism growth with support of SME's, then the tourism is one of the potentially large employment generators besides being a significant source of foreign exchange for the country.

### **Research Aim and Objectives**

The main aim of the study is to discover the opportunities of Hospitality sectors for the developments in the tourism industry through the support of SMEs. In order to support the aim of the study, there are three important that are needed to fulfill.

- To make understand the Hospitality Sectors
- To link the Hospitality sectors for the growth of Tourism Industry

- To identify the role of SMEs support and create opportunities for the development in these sectors.

## Methodology

The proposed methodology in the study is the use of the secondary information. Through the application of the method, the appropriate techniques that were incorporated by the various hospitality organizations can be an essential tool to help the industry breathe even in the rapid changes in terms of globalization. The method will provide the study an opportunity to measure the effectiveness of each technique and therefore, the study can generate its own analysis regarding the issue on boosting the tourism industry through SMEs.

## Hospitality Industry

The hospitality industry is a broad category of fields within service industry that includes lodging, event planning, theme parks, transportation, cruise line and additional fields within the tourism industry. The hospitality industry is a multibillion-dollar industry that depends on the availability of leisure time and disposal income. A hospitality unit such as a restaurant, hotel, or an amusement park consists of multiple groups such as facility maintenance and direct operations (servers, housekeepers, porters, kitchen workers, bartenders, management, marketing, and human resources etc.).

The characteristics of the personnel working in direct contact with the customers. The authenticity, professionalism, and actual concern for the happiness and well-being of the customers that is communicated by successful organizations are a clear competitive advantage. The below image presents the categories of the Hospitality industry or displays the *hospitality world*.

## The Hospitality World



Image courtesy: Laureate Hospitality

## **Hospitality Sectors**

In the hospitality sector, the success of a business depends largely on how efficient the hospitality team is and how effective the business model is. So, in essence, one can make a foray into all categories of the hospitality industry. Discussed below are the different sectors of the hospitality industry in further details.

### **Food and Beverage**

In hospitality, food and beverage reigns supreme. It is the largest element of the hospitality industry and can take the form of high-end restaurants, fast-food eateries, catering establishments and many other manifestations. The food and beverage trade can symbiotically function as part of other businesses, such as in bowling alleys or movie theaters. When the restaurant is part of a hotel, food and beverage can dramatically enhance the overall guest experience by offering excellent food and first-class customer service.

### **Accommodations**

Hotels, bed and breakfast enterprises and other places offering lodging represent a broad segment of the hospitality industry. Types of businesses run the gamut from extravagant resorts to hostels and campgrounds. The business focus on providing lodging should integrate comfort, efficiency and attentive customer service as its foundation. Travelers value thoughtful treatment and simple amenities. When the customers feel appreciated and catered to, guests will tell others about their experience and may become repeat customers.

### **Travel and Tourism**

Another chief segment of the hospitality business encompasses transportation. This includes airlines, trains, cruise ships and the staff for each. Flight attendants and cruise staff function as food servers and hoteliers in their efforts to provide food or drink and a comfortable experience. Business travelers and vacationers alike form the basis for this area of hospitality. Travel and tourism requires knowledgeable employees in information technology, and they are also considered a part of hospitality. Destinations such as amusement parks draw thousands of people, all of whom want to benefit from great customer service while enjoying a memorable adventure.

### **Economics**

The above three foremost categories of the hospitality industry are driven by, and dependent on, a strong economy. The small hospitality business will thrive when people are able to go out to eat or enjoy traveling. Conversely, when economic crisis are challenging, the combination or any strategies may decide to bolster the basics of hospitality business. For example, food and beverage businesses might offer special activities, such as a fundraiser, or meal discounts on certain days of the week. In star hotels, some owners offer the packages by providing conference hall or special event facilities, or transportation options on limousine services.

### **Small and Medium sized Enterprises (SMEs)**

Number of companies listed on SME is only 190, till now.

Under section 7 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the Indian government defined the size of micro, small, and medium enterprises as in case of the enterprises engaged in the manufacture of goods pertaining to any industry specified in the first Schedule to the Industries (Development and Regulation) Act, 1951, as-

- A Micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees.
- A small enterprise, where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; or
- A medium enterprise, where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees.
- In the case of the enterprises engages in providing or rendering of services, as-
- A micro enterprise, where the investment in equipment does not exceed ten lakh rupees;
- A small enterprise, where the investment in equipment is more than ten lakh rupees does not exceed two crore rupees; or
- A medium enterprise, where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

Businesses that are declared as MSMEs and within specific sectors and criteria can then apply for "priority sector" lending to help with business expenses; banks have annual targets set by the Prime Minister's Task Force on MSMEs for year-on-year increases of lending to various categories of MSMEs.

### **Opportunities for the Development of Tourism through SMEs**

In general, the augmentation of tourism industry is very much relies on micro, small and medium enterprises exist in various related sector. At present and in the near future, tourism industry has and will show a huge influence in economic development. In favour for tourism to be beneficial in relations to economic development, poverty reduction, income generation and enhancing rural means of living, it should be related with the local economies activities for instance the agriculture and micro and small scale enterprises. Tourism and entrepreneurial activities are complementing each other's, as the development of tourism depends on the SMEs while in the same way SMEs activities also require the help of tourism in way to grow and survive. This can be explained by the fact that tourism sector help to generate opportunities for the local community to start a business activity, while tourism sector depends on the SMEs activities to provide the tourist's needs and wants.

Tourism is conservatively a small and medium- sized enterprises industry as in the point that majority of the tourist amenities are provided by the small and medium-sized businesses. According to the WTO definition:

*"Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and*

*aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, and biological diversity and life support systems."*

Therefore the development of the tourism will create jobs and increase the income level of the local people, if the tourists are satisfied.

## **Conclusion**

SMEs play a key role in transition and developing countries. These firms typically account for more than 90% of all firms outside the agricultural sector, constitute a major source of employment and generate significant domestic and export earnings. As such, SME development emerges as a key instrument in poverty reduction efforts.

Synonyms with tourism, among the popular business activities need to cover accommodation, food and craft, transport and hotel businesses. Having a tourism sites, the natural and manmade resources are the major sources for the level of development in the economic activity. Further analysis will perform to assess the potential business of tourism related SMEs which are initiatives on the area with entrepreneurs and managers. Tourism infrastructure can make SMEs to fulfill the tourists' needs and desire and attracts more tourists to make more business in the field of Hospitality sectors.

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## **EMPOWERING WOMEN THROUGH ENTREPRENEURSHIP: A STUDY IN KANCHIPURAM DISTRICT**

**Dr.R.Periasamy**

*Assistant Professor of Economics, Pachaiyappa's College for Men, Kanchipuram*

### **Abstract**

*Women empowerment is an innovative phrase in the words of gender literature. In a general sense, it refers to empowering women to be self-dependent by providing them access to all the freedoms and opportunities, which they were denied in the past only because of their being women. This study the focus on rural women to become entrepreneurs, compare the changes in income expenditure and savings of respondents. The women entrepreneur enables the rural poor to earn their own livelihood besides participating in the process of development. The study reveals that entrepreneurs are not just born; they can be developed and trained to undertake through Government. Women enterprise is a concrete step to women empowerment.*

### **Introduction**

Women empowerment is an innovative phrase in the words of gender literature. In a general sense, it refers to empowering women to be self-dependent by providing them access to all the freedoms and opportunities, which they were denied in the past only because of their being women. In a specific sense, women empowerment refers to enhancing their position in the power structure of the society. Empowerment of women has five components: women's sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resource; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally<sup>1</sup>. In today's competitive world, there are various ways by which women get themselves empowered. The entrepreneurship of women is considered to be an effective instrument to the economic development and empowerment of women<sup>2</sup>.

A study was thus done to analyze the performance of women entrepreneurs in Kanchipuram. An attempt was also made to find if their performance women entrepreneur and self supporting women entrepreneurs. In addition factors influencing the performance of women entrepreneurs were also analyzed. The rest of this paper is thus organized as follows: objective, discusses the methodology, the analysis and suggestion

### **Objectives**

1. To study the factors enabling rural women to become entrepreneurs and to examine the nature of their economic activities.

- To compare the changes in income expenditure and savings of respondents before and after entrepreneurs in the study area.

### Motivational Factors

Given the socio-economic background next question is what really has motivated them to take the initial step. Motivation plays a major role in the life of women entrepreneurs. As far as the motivational factors are concerned as many as ten factors have motivated them to initiate the micro entrepreneurial activities as given in the table

**Table 1 Motivational Factor for Sample Respondents**

**Source:** Primary Data

Factors	Score	Rank
Economic independence	1051	II
Advice of other entrepreneurs	570	VI
Encouragement Given by NGOs	973	III`
To gain Social Status	511	VIII
Education	282	X
Advice of the Government Officials	590	V
To earn Money	1073	I
Advice of the Family members	792	IV
Need to achieve Something	371	IX
Training received	565	VII

It is evident from the above table the first three important factors are 'which have positively influenced include the motive to earn money followed by economic independent and encouragement given by NGO's for emergence and promotion of grass root entrepreneurship. Other facts such as family influence or training received might have mattered.

### Employment Details

Table 2 furnishes details regarding the nature of employment undertaken by the respondents.

**Table 2 Activity wise distribution of Sample Respondents**

**Source:** Primary Data

Nature of Activity	Number of Respondents	Percentage
Food based units	8	6.7
Dairying	18	15.0
Vegetable cultivation	27	22.5
General Stores	7	5.8
Goat Stores	8	6.7
Petty shop	11	9.2
Pottering	7	5.8
Stone quarrying	11	9.2
Tailoring	7	5.8
Others	16	13.3
Total	120	100

**Note:** Others includes nurseries, mushroom cultivation, fish vending, saree sales, garment ready-mades, coconut leaf thatching pickles sales, broiler sales.

It is evident from the table 2 reveals that majority of them are engaged in agricultural and

animal husbandry related activities. Rural artisan group such as pottering has also figured in which the members of the group produce on their own and also outsource part of their two other interior villages well in advance to take the advantages of the seasons say harvest festival, lamping festival etc and summer during which they experience higher demand. Petty shops are also run by some of the members selling the petty grocery items, eatables etc which realize subsistence income.

#### Benefits of Women Entrepreneurs

Women have got empowered through entrepreneurship: Rise in economic status, self worth, self confidence and social status. These qualities bring to the person empowered economic, spiritual and social strength. It marks confidence in one's own capabilities characterized by a positive image of self, proactive attitude, ability to make enlightened decisions and leadership to influence others. When empowerment of women is attempted through entrepreneurship development the process begins with success in enterprise management in terms of economic gains and proceeds to strengthen other qualities. In order to evaluate the empowerment level of women in both the groups, the women entrepreneurs were asked to give specific benefits from their experience as entrepreneurs.

**Table 3 Benefits of Entrepreneurship –Empowerment**

**Source:** Primary Data

Benefits of Entrepreneurship	Mean Score
<b>A. Rise in Economic Status</b>	
Increased income	4.16
Increased consumption	3.64
Control over spending	3.91
Confidence in sustaining trend	4.73
<b>B. Self Worth</b>	
Finds greater ability to lead	3.71
To resolve conflict	3.68
Freedom to make	3.14
Business decision	3.87
Business on Life	3.68
Get recognition in work	4.24
<b>C. Self Confidence</b>	
To be proactive	4.11
To face critics	4.56
To take risks	3.82
To Influence others	3.60
<b>D. Social Status</b>	
Positive image	4.21
Sociability networking	3.50
Involvement in community work	3.52
Involvement in Political activities	1.32
Encouraging other women to entrepreneurship	4.35
Over all	3.879

All but one item had mean score values larger than respondents. One exception is involvement in political activity. The mean score values larger than three show positive improvement in the variables: economic status, self worth, self confidence and social status of women entrepreneurs. Hence we conclude that 'Entrepreneurship has Empowered women'. As shown by the overall mean score, women entrepreneurs in re more empowered than other entrepreneurs.

#### Suggestion

- Women are proving that they are bankable and if they are in group which

serves as a collateral, which could be encouraged in future to enhance empowerment

- Women owned enterprises are mostly service or trade related activities. Manufacturing and processing activities may be profitable and sustainable.
- Appropriate training should be provided to self employment programme in the promotion of women entrepreneurship.
- All the economically assisted should undergo entrepreneurship development programme before receiving the assistance so as to gain sufficient knowledge to manage the micro-enterprises.

### Conclusion

Today entrepreneur are fast emerging not only as a powerful tool of socio-economic empowerment but also very important tool for the implementation of social sector programme of the poor in our rural areas in India. The women entrepreneur enables the rural poor to earn their own livelihood besides participating in the process of development. The study reveals that entrepreneurs are not just born; they can be developed and trained to undertake through Government. Women enterprise is a concrete step to women empowerment.

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## **A STUDY ON PROSPECTS OF WOMEN ENTREPRENEURS IN RASIPURAM TALUK, NAMAKKAL DISTRICT**

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### **Abstract**

*Entrepreneurship for the development of women is an essential part of human resource when compared with other countries. Women are now ready to do all business and the role of women are recognized and steps are being taken for the promotion of women entrepreneurship examine the socio-economic conditions of women entrepreneurship in selected area; the factors motivating women entrepreneurs and the financial and the problems of business run by women entrepreneurs. In this study area 120 samples are selected by using multi-stage stratified random sampling techniques are used to select the sample.*

### **Introduction**

Entrepreneurship for the development of women is an essential part of human resource when compared with other countries. India has about seven lakh villages, in which more than 70 per cent of its population lives. The labour force in the rural sector is formed by 56 per cent of the male and 33 per cent of the female. Women struggle in India for entrepreneurial freedom though more than 71 have completed after the independence. They still face various socio-economic problems. But the growth of women entrepreneurship is very low in India, especially in the rural areas. Moreover, women from middle class are less enthusiastic to change their role because of their fear to face the social backlash. The development is more found in the families at upper class society in urban areas<sup>1</sup>.

Women are now ready to do all business and the role of women are recognized and steps are being taken for the promotion of women entrepreneurship, women must be shaped up properly with other entrepreneurial personality and skills to face the challenges of world markets, meet the changes in the trends, be competent enough to sustain and strive for excellence in the entrepreneurial field. A complete entrepreneurial development in a nation can be achieved by the participation of women and therefore the growth and development of women entrepreneurs must be accelerated.

According to MSMEs, 12th Five year plan 2012-2017 the Tamil Nadu stands first out of the total number of units registered in India. Regarding the number of women entrepreneurs in India, the first place goes to Uttar Pradesh followed by Tamil Nadu which holds the second place. It is understood from the table that Tamil Nadu has taken more steps to improve the growth and development of women entrepreneurs in Tamil Nadu with the help of financial institutions and government agencies.

## Objectives

- To examine the socio-economic conditions of women entrepreneurship in selected area
- To study the factors motivating women entrepreneurs in the selected area
- To study the social problems of business run by women entrepreneurs

## Methodology

The women entrepreneurs in rasipuram taluk have been selected for the study. In this study area 120 samples are selected by using multi-stage stratified random sampling techniques are used to select the sample.

## Statistical Tools used

Master table were prepared to make the processing procedure easy. The various tools used in study and analysing the data collected are as follows. Simple percentage, mean, standard deviation and ranking techniques are used in this study.

## Analysis of the Data

In this section the socio-economic status of the sample respondents in the study area are the age wise distributions of the women entrepreneurs, 80 percent of the respondents are middle age group 35 and above, Out of the 120 sample respondent 62.5 percent of the respondents are Hindu region. Regarding educational qualification majority of them are completed the degree standard.

### Table 1 Activity Wise Distribution of Respondents

Source: Primary Data

Nature Activity	No. of. Respondents	Percentages
Garment Work	30	25
Tailing	10	8
Petty shop	15	13
Pickle making	15	13
Dairying	10	8
Hand works	26	21
Fruit Juice making	14	12
Total	120	100

Regarding the activity wise distribution out of 120 sample respondents 25 of them are engaged in garment work, 26 of them are hand works such as wall making , embrodidery work, pot colouring also figured in which the members of the groups produce on their own. Petty shop also run by some of the members by selling

eatables, vegetables grocery items. Members also engaged in making pickle and juice making and marketed in local area Motivational factors to start the Enterprise

### Table 1 Motivational Factor

Source: Primary Data

S.No	Factors	Average Score	Rank
1.	Education and Training Received	3.6	1
2.	Parents and Family Encouragement	3.04	4
3.	Friends and relatives in the field	2.24	12

4.	Ready market for the product	2.83	8
5.	Government incentives and concession	1.17	14
6.	To be independent	2.80	9
7.	Personal enthusiasm in the activity	2.90	6
8.	Availability of time	3.41	2
9.	Managerial and communication skill	2.93	5
10.	To prove one self	2.67	10
11.	Desire to compete with other	3.41	2
12.	To gain status	2.33	11
13.	To do something creative	2.83	7
14.	Any other factor	1.44	13
	Overall mean score	37.45	

In table 1 it was inferred that education and training received are the most important factor which influence a women to become entrepreneur, availability of time and desire to compete with

other are next important motivating factors this is because of the major ambition of all the women entrepreneur to make money, to survive and to do something creatively than their competitors

The least motivating factors are Government incentives and concession. Any other factor was before this most of the women entrepreneur does not availed any financial support from Government banks as well as other financial institutions because of the difficult in cumbersome procedure for availing loan.

The least motivating factors are Government incentives and concession. The factor which is before the least motivating factors is the any other factor because most of the women entrepreneur does not avail any financial support from Government bank as well as from financial institution.

### Constraints of Women Entrepreneur

An entrepreneur may face by any problem or there may an interactive and cumulative effect of number of problems.

### Social Problem

The main social problem which has been faced by the women entrepreneur and the rank given by them are presented in Table 3

**Source:** Primary Data

Constraints	Score	Rank
Gender Discrimination	987	4
Dual Role	1068	1
Non-reorganization from society	935	6
Less support from family	856	VII
Lack of Confident	635	9
Competition from male counterparts	1054	2
Socio-cultural background	1011	3
No risk bearing capacity	745	8
Problems in public relations	966`	5

It is evident from the table 3 the respondents have ranked that dual role was the foremost social problem which they faced in running the enterprises. The main reason was that the rural women entrepreneur have less time compared to men they have to look after both their family and business activity. Other problems faced by them

are stiff competition from male counterparts in term of production, marketing and

services, socio-cultural background, gender discrimination are also binds them. There is a general feeling the lacks of confidence low support from family, non reorganization from society also the main constraints for them. Suggestion The following suggestion are given: The banking procedure should be minimized and simplified so as to get loan easily; Society as well the family members should support them to empower them by which in turn will lead to economic growth; NGO and government should arrange for counselling for women entrepreneur so as they can overcome from these emotional problems and can utilize their full capacity and concentrate more.

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## **CHALLENGES OF WOMEN ENTREPRENEUR AT ENTREPRENEURIAL SOCIETY - KAYALPATTINAM: A CASE STUDY ON Z FASHIONS**

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### **Abstract**

Most people in our country strive for security in their careers, but there are few who make other's career secure and they are the entrepreneurs. This research explores the influence of Islamic spirituality on Muslim women's entrepreneurship in Kayalpatnam – Am entrepreneurial society, showing the effects of spirituality on their careers, business ventures and general entrepreneurial behavior. An empirical study consisting of open-ended interview with a Womentrepreneur (women entrepreneur) in Kayalpatnam was undertaken to explore the impact of spirituality on shaping their entrepreneurial activities, ethical choices, decision-making, and enhancing work-life satisfaction. Womentrepreneur at Kayalpatnam recognizes the need for entrepreneurship to be a part of the mainstream of economic development. Women entrepreneurship is seen as the strategy to solve the problems of rural and urban poverty. Women across Thoothukudi District are showing interest to be economically independent. However, women face time, human, physical and social constraints which limit their ability to grow their businesses. The new generation women, at Kayalpatnam, have overcome all challenges and have proved themselves beyond doubt in all spheres of life including the most cumbersome competition of entrepreneurship. This is a case study of women entrepreneur- who had overcome all the challenges and became one of the most successful entrepreneurs of the city. Our primary objective is to focus upon the evolution that the Indian entrepreneurs have been through, the challenges faced by them, discovering the potential of Entrepreneurs in India and we have also tried to observe the role of incubators and Government. We have gathered our data mainly from secondary sources comprising of online journals, websites, reports, newspapers. Our primary data pertains to an interview with Mrs.Zainab Asiya. At the end the researchers concluded that it is the innovative ideas of the entrepreneurs that fuel our economic growth and they ensure the poverty reduction and employment generation in our country thus emerging as a necessity in today's world. Her relentless zeal, quench for success and willingness to walk the extra mile have fabricated a mark for her both within the city and across the World. As women have amazing adeptness to work hard and develop innovative ideas towards building an economically sound and healthy entrepreneurial society.

**Keywords:** *Women entrepreneur, Innovation, Challenges, Technology, Social media A Case Study on Entrepreneurship: An Art Explored Islamic spirituality and entrepreneurship: A case study of women entrepreneurs in Malaysia*

## **Introduction**

Entrepreneurship is a type of art and an entrepreneur is an artist. From time immemorial people have taken part in various entrepreneurial activities it may be hunting, agriculture, handicraft or industry. Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalization. The policy and institutional framework for developing entrepreneurial skills, providing vocation education and training has widened the horizon for economic empowerment of women. However, women constitute only one third of the economic enterprises. Entrepreneur was defined by Schumpeter in 1964: "Entrepreneurs are innovators who use a process of shattering the status quo of the existing products and services, to set up new products, new services"<sup>1</sup>. He is an artist who imagines and innovates ideas for his 'target audience'. Women Entrepreneurs may be defined as the woman or group of women who initiate, organize and co-operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. The Indian women are no longer treated as show pieces to be kept at home. They are also enjoying the impact of globalization and making an influence not only on domestic but also on international sphere. A distinguishing feature of a woman entrepreneur is the willingness to work hard. She has to follow the principle, "Hard-work is the key to success A woman entrepreneur is an achievement oriented lady, not money hungry. She works for challenge, accomplishment and service to others. Achievement orientation is a drive to overcome challenges, to advance and to grow. The 'target Market' is, in common terms, the set of customers to whom the entrepreneur pitches his products to."<sup>2</sup> We think that development of this art of entrepreneurship also roots from 'Muslim community' – Ethics of Business in the Holy Quran.

## **Objectives and Methodology**

Information in the case study is based on primary and secondary resources. The primary purpose of the paper is to study the journey of a Womentrepreneur and the challenges faced by her in the garment sector in Kayalpatnam, Thoothukudi District. For the primary source, personal interview was conducted with the Mrs.Zainab Asiya at ZFashions boutique, Kayalpatnam. For Secondary sources and information from Journals, articles newspaper, internet, websites, reports and books have been used. After the interview, the analysis of the case was done in respect to different factors like Social, Economic, Competitive, Facilitating and other factors of the Womentrepreneur

## **A Case of Zainab Asiya of Z fashions**

### **Introduction**

We are fascinated by the lives and personalities of creative individuals and our incessant fascination with the entrepreneur is no exception. Entrepreneurship 'has been considered as one of the essential factors determining the growth of industry of any country. History of the economic development of all countries- either developed or underdeveloped-has evidence to the fact that the entrepreneurs had made a significant contribution in this respect, though the nature and extent of such contribution varies from society to society and country to country, depending upon the industrial climate, material resources, and the responsibility of the political systems. Naturally, entrepreneurs' contribution will be more where there is a free economy that provides high prestige and freedom to entrepreneurs, than the country which has more controlled economy that provides lesser freedom. The textile sector in India is one of the world's largest, it has more installed spindles to make spun yarn than any other country except China and has the most looms in place to weave fabric. The Indian textile Industry comprises three inter related but competing sectors-the organized mill sector, the "decentralized" handloom and the power loom sectors. Zainab's ZFashion is fall under the Power loom Sector, thus responsible for substantial capital formation and job creation and substantially increasing local standard of living of the workforce.

### **Kayalpattinam: Entrepreneurial society**

According to 2011 census, Kayalpattinam had a population of 40,588 with a sex-ratio of 1,082 females for every 1,000 males, much above the national average of 929.<sup>[2]</sup> A total of 4,995 were under the age of six, constituting 2,548 males and 2,447 females. Scheduled Castes and Scheduled Tribes accounted for 7.37% and .01% of the population respectively. The average literacy of the town was 81.3%, compared to the national average of 72.99%.<sup>[2]</sup> The town had a total of : 9417 households. There were a total of 11,414 workers, comprising 17 cultivators, 27 main agricultural labourers, 206 in house hold industries, 10,717 other workers, 447 marginal workers, 9 marginal cultivators, 4 marginal agricultural labourers, 30 marginal workers in household industries and 404 other marginal workers.<sup>[3]</sup>

As per the religious census of 2011, Kayalpattinam had 26.34% Hindus, 67.24% Muslims, 6.36% Christians, 0.01% Jains and 0.05% following other religions.<sup>[4]</sup> Majority of these Muslim people are entrepreneurs. They go to abroad and earn as much as they can and then after coming to their home town, they start their own business. Doing business and becoming entrepreneur is their vision, mission and everything. Their houses are built leaving the place for doing a small scale business. They are also be called as Hometrepreneurs. Women in Kayalpatnam are emerging a lot in these type of business. They are now nurturing a lot to have separate business houses like boutiques, stalls, small shops recently. This study made us to understand the women entrepreneurial society.

## **Background of Z Fashions**

Mrs.Zainab Asiya born in Kayalpatnam, a small town. This town is a unique town with bunch of entrepreneurs as maximum population belongs to Muslim community. After completing her schoolings she did her B.Tech in Information technology. She started her own business at home by selling chudidhar materials In this area doing business is the predominant. Women do micro level businesses in their home itself. Her husband quit the job. As Kayalpatnam Women society is font of fashion clothing, accessories, hand made unique snack making etc., This urge Zainab made her think seriously about dabbling in the fashion segment.

## **Career Opportunity, Innovation**

Zainab have shown her tenacity and courage to set up the enterprise not by compulsion or by chance but through conscious choice and pragmatic interest. She has lot of friends, relatives so that she customized the taste and preferences towards fashion textiles. This business started in January 2014. She grab the attention of youngsters by the promotional activity tool **Social media**. Social media plays a vital role in her business. Daily she updates her new arrivals of dresses through online store, this made her to reach worldwide customers. Now it has gown up and blossomed into a very professional business. Women entrepreneurs have a tremendous potential in empowering and transforming society, thus synthesizing social progress and economic development. Zainab's dynamic and adaptive family team generates 20 to 25 samples every day and churns out 2 to 3 catalogues every month, each catalogue having 12 to 18 designs and posts this in her WhatsApp and face book Friends. They claim that none of their designs are ever repeated. In Kayalpatnam market parlance women dressings are much famous as women population are more residing in Kayalpatnam. Women are now proving to the world that their role in the society is no more limited to that of a consumer but they can also play a major role as an enabler to bring those products and services to the consumer, which has been very ably proved by Zainab a part of ZFashions.

## **Home Town Boutique**

Zainab started her business from home. Slowly she gained customers in and around her home town. First she started by selling the products to her family and friends. Word-of-mouth played a vital role in her business. Slowly it started blooming and now it has grown as a ZFashion boutique. Online marketing is a great boost for her business. It paved a way to get worldwide customers.

## **On-Line Marketing**

Entrepreneurship plays a major role in the harnessing of knowledge and the conversion of this harnessed power into future goods and services through industrial innovation, an enviable achievement of ZFashions. With the tremendous growth of technology and the demand for their products, the business has started on-line marketing, resulting in more far-reaching access. The online channel now contributes almost 60% of her turnover.

## Challenges

Zainab feels that there are no problems in life or in business. They are all challenges, which need to be addressed. Not having a background in fashion was a challenge but her strong business community upbringing, rock solid support from family and educational background allowed her to learn the ropes very fast. In the initial phase there was a period of self-doubt, of leaving everything after completion, but the first taste of success made her dig in her heels and perseverance. Formal education although desirable, lack of education is not a hindrance for a good designer to excel. However, in spite of all these acceptance of challenges, one area where she feels the trust in the society needs to develop on women entrepreneurs are, their capabilities to maintain the business financials. Zainab's finance are managed and handled by her husband.

## Products

The products at ZFashions are more suitable for today's trendy people. She deals with kids clothing too. Women clothing is most famous as she provides latest designs and models. Her boutique contains Silk, Shiffon, Cotton, Mixed variety of sarees, chudidars. Masthani dresse, plazzo etc. She procure these materials from Surath, Jaipur and Chennai.

## Analysis of the Case

Certain factors prevail as far as the women opting for entrepreneurship. The factors may be

- Socio-economic factors
- Money is not the sole objective
- Building their own self-confidence
- Want to contribute something positive to the community
- Bring out their creativity and turn it into an innovation
- Materialize their ideas
- Economic independence
- Establishing their own creative idea
- Establishing their own identity
- Achievement of excellence
- Building self confidence
- Developing risk taking ability
- Motivation
- Equal status in society
- Greater freedom & mobility

On the basis of analysis of the case developed, discussion (through scheduled interview) was made with the Womentrepreneur-Zainab was made, the Conceptual framework & the Challenges faced by her are as follows:

**Table 1: Conceptual framework for Women Entrepreneur under study& the Challenges faced by her**

Factors	Sub factors/According to the Literature Review	As Perceived by the Entrepreneur
Social Factors	Childhood <ul style="list-style-type: none"> <li>• Background</li> <li>• Religion</li> <li>• Education</li> <li>• Community setup and cultural issues</li> <li>• Support spouse/family/relatives/community</li> <li>• Social mobility</li> <li>• Work-Life Balance</li> </ul>	Coming from Rich influential family, did not face any problem. Muslim conservative Family, did not face any problem Graduate, did not face any problem. Muslim Conservative Family, not really did not face any problems Good support from husband and family members No problem Yes-to great extent
Economic Factors	<ul style="list-style-type: none"> <li>• Financial assistance from Institutional sources</li> <li>• Accommodation in Industrial estate</li> <li>• Encouragement from large business</li> <li>• Lack of access to credit</li> </ul>	Yes-Finance totally handled by husband  No-did not take any help Acceptable because of husband & brothers contacts No-did not take any assistance or help Yes-to some extent Yes-challenging Finance completely handled by husband
Competitive Factors	<ul style="list-style-type: none"> <li>• Potential Entrants</li> <li>• Rivalry among existing firms</li> <li>• Suppliers</li> <li>• Buyers</li> <li>• Substitutes</li> </ul>	Yes Yes-does face challenges Yes-sometimes Yes-sometimes Yes
Facilitating Factors	<ul style="list-style-type: none"> <li>• Experience &amp; training</li> <li>• Arrangement of Finance</li> <li>• Occupational &amp; Geographical Mobility</li> <li>• Lack of Risk Taking Capacity</li> <li>• Lack of exposure to Business Environment</li> </ul>	No formal experience & training Handled by husband No-starting saree Section No-took risk in designing Yes-was a homemaker before joining business No-started On-Line marketing
Locational Mobility of Entrepreneurs	<ul style="list-style-type: none"> <li>• Resources</li> <li>• Language</li> <li>• Culture</li> <li>• Nature of Enterprises</li> </ul>	Yes-to some extent No-did not face any problem Yes-to some extent Yes-Male dominated Industry

**Social Factors**

In the above case when Zainab, Muslim conservative Family, did not face any problem personally when she share her idea to the public friends, she dint get proper response. She struggle a lot to get rid out of it and finally her stubbornness won. Coming

from Rich influential family, Zainab did not face any problem inside her home. Graduate, did not face any problem. Good support from husband and family members her success.

### **Economic Factors**

Arrangement of finances for the startup of the business is yet another challenge for women entrepreneurs. Different government schemes by the banking Institutes. may be available but there are bottlenecks and gaps. Appropriate information and access to the right information is not available to Women Entrepreneurs.

### **List of Women Entrepreneur Loan Schemes in India**

Women entrepreneurs are the important source of economic growth in India. They create new openings, for themselves and others and also provide society with different solutions to management, organization and business problems. The efforts of government and its different agencies are supplemented by NGOs and associations that are playing an equally important role in facilitating women empowerment.

### **Stree Shakthi Package – Women Entrepreneur Loan Schemes**

The Stree Shakthi Package is applicable for entrepreneurs who run small businesses and have 50% of firm ownership. Women entrepreneurs who have pursued Entrepreneurship Development Programmes (EDP) organized by state level agencies are only eligible for this loan.

### **Annapurna – Women Entrepreneur Loan Scheme**

The Annapurna Scheme is applicable for women entrepreneurs running an individual business or partnership firms. The main motive of this scheme is to provide financial aid to female business owners for establishing food catering unit.

### **Cent Kalyani – Women Entrepreneur Loan Schemes**

This scheme is provided by Central Bank of India for the benefit of female entrepreneurs. Under this scheme, a women entrepreneur can get adequate financial assistance for starting a new venture

### **Dena Shakti – Women Entrepreneur Loan Schemes**

Dena Shakti Scheme under the Dena Bank has promoted female women-owned businesses by providing various financial services to them. You can avail loans under this scheme at a concession of 0.25% on the interest rate.

### **SIDBI Mahila Udyam Nidhi**

Mahila Udyam Nidhi Scheme (MUN) under Small Industries Development Bank of India provides financial assistance up to Rs. 10 lakhs to female entrepreneurs for setting up the new industrial venture in small scale sector.

## **Udyogini – Women Entrepreneur Loan Scheme**

Udyogini is a scheme of Punjab and Sind Bank that motivates female business owners to obtain loans online at liberal terms and low-interest rates. This loan is taken for establishing small scale industries, business enterprises as well as for agricultural activities.

## **Tamil Nadu Subsidy and Schemes**

Tamil Nadu state is the second largest contributor to the Indian GDP and the second most industrialized state in India. Good infrastructure backed by easy availability of skilled or unskilled manpower makes it an ideal State for setting up manufacturing units or service units. In order to attract Foreign Direct Investment and boost domestic investment in businesses, Tamil Nadu government has announced various subsidies and schemes. In this article, we cover a list of business subsidies and schemes popular in Tamil Nadu.

## **New Entrepreneur Enterprise Development Schemes [NEEDS] Scheme in Tamil Nadu**

The NEEDS scheme has been announced by the Government to assist the educated youth of Tamil Nadu to become first generation entrepreneurs. Educated youth with any Degree, Diploma, ITI/Vocational Training from a recognized institution and in the age group of 21-35 years under General Category and 21 to 45 years under Special Category aspiring to become entrepreneurs would be eligible for assistance under this scheme. The project cost shall not exceed Rs.1.00 crore. Capital subsidy of 25% of the project cost up to a maximum of Rs.25.00 Lakhs will be provided by the State Government. For more information, refer to the article on NEEDS Scheme in Tamil Nadu.

But Womentrepreneur in Kayalpattinam are unaware to avail the above said facilities and even they are aware, they give least importance to avail these facilities. Zainab's case is also the same. She dint approach any financial assistance for her business. She is also unaware of these schemes

Zainab did not take any help acceptable because of husband .She did not take any assistance or help, challenging finance completely handled by her husband. In the above case study, Women Entrepreneur ZFashions did not take any financial assistance from Institutional sources. She joined her husband settled business in Fashion Industry in Textile Sector. Above said schemes may be available but there are bottlenecks and gaps. Appropriate information and access to the right information is not available to Women Entrepreneurs. She did agree to the problems faced by other women entrepreneurs related to paperwork, discriminatory practices by banks;

## **Competitive Factors**

As Kayalpattinam is highly entrepreneurial society both men and women are indigenous there is a heavy competitors in the same field of fashions. Women entrepreneurs are doing same sort of business. So entry level barriers are a competitive factor. The ambition, self-confidence, innovativeness, achievement motivation and risk taking ability are essential qualities for entrepreneurial career. But due to lack of trust in the capabilities of women Entrepreneurs, they face problems from suppliers, buyers

and potential entrants. Gillani, (2004) has described as "comfort zone movement", i.e. they tend to operate only among clients that they know products are sold to relatives; friends and suppliers tend to be people already known to them. In this case, Zainab did experience competition from existing firms as well as new potential entrants.

### **Facilitating Factors**

Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. In addition, they have often not been exposed to the international market and therefore lack knowledge what is internationally acceptable. SME's often face competition from efficient low wage, low cost producers in other developing countries. This requires active up gradation of technology and skill in order to stay in competition. Lack of ease in moving and unfamiliarity with the external world also hampers Women Entrepreneurs in her business. Occupational mobility's shifting from one product to another is considered by Women Entrepreneur as disadvantageous. But in this case, as Zainab had joined the established and settled business of her husband and her brother she did not face any problems related to occupational mobility. In fact Zainab is planning to diversify into Kurtis. Section (currently she is into Salwar Kameez Dupatta Setand saree).

### **Conclusion**

Increased opportunities for women have provided them with skills which have resulted in more opportunities to pursue economic independence. Entrepreneurship match between the womentrepreneur's time span of comfort and the time span demands of the endeavour will contribute to the potential success or failure of the endeavor, as well as indicate when measures of success should be taken in an entrepreneurship with clear vision. ZFashion is a budding Womentrepreneur at Kayalpattinam , but proved that Zainab is a best Womentrepreneur in a short life span in boutique business. As Womentrepreneur must be optimistic. She should approach her venture with a hope of success and attitude for success rather than with a fear of failure. The positive thinking of woman entrepreneur can turn the situation favorable to her. The success of an enterprise largely depends upon the ability of woman entrepreneur to cope with latest technology. Technical competency refers to the ability to devise and use the better ways of producing and marketing goods and services. Women entrepreneurs face the adversities boldly and bravery. She has faith in herself and attempts to solve the problems even under great pressure. A Womentrepreneur is energetic, single-minded, having a mission and a clear vision. She should be a lady of creative thinking and analytical thinking. She must be intelligent, adaptable and problem solver. Leadership quality is one of the most important characteristic of a woman entrepreneur. It is the process of influencing and supporting others to work enthusiastically towards achieving objectives

Entrepreneurs, who hope to secure a niche, face difficult problems: they often fail because the costs of serving a specialized segment exceed the benefits to customers. They should carefully analyses the customers for serving a niche and take into account

their lack of scale and the difficulty of marketing to a small diffused segment. Womentrepreneur must be molded properly with entrepreneurial traits and skills to meet changing trends and challenging global markets, and also be competent enough to sustain and strive in the local economic arena. They should be aware about the Government schemes to grow bigger.

This study made us to analyse Zainab, the budding Women entrepreneur is doing a great work. She has proved that she is a modern entrepreneur serving in Entrepreneurial society – Kayalpattinam, But why Women entrepreneur in Kayalpattinam are unaware of Training programs, financial support offered by Government institutions, Incubators etc, even if they are aware they are least bother to approach. Is the reason that their cultural factors not permit them? or their economic factors fulfill their own business need? Further studies to be made to get a results.

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## **SOCIAL ENTREPRENEURSHIP: A TOOL FOR SOCIETY DEVELOPMENT**

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### **Abstract**

*Social entrepreneurs can help get better various issues like nutrition, education and health care and many are still blighted by unemployment and illiteracy by helping those less fortunate towards a worthwhile life. Rather than leaving societal needs to the government or business sectors, they can solve the problem by changing the system. Social entrepreneurship is expected to be the next big thing to influence India as the country juggles to achieve a balance between a growing GDP growth, ensuring inclusive growth and attempting to address issues ranging from education, energy efficiency to climate change. This paper attempts an analytical, critical and synthetic examination of social entrepreneurship in India.*

**Keywords:** *Social venture, inclusive growth, and social problems.*

### **Introduction**

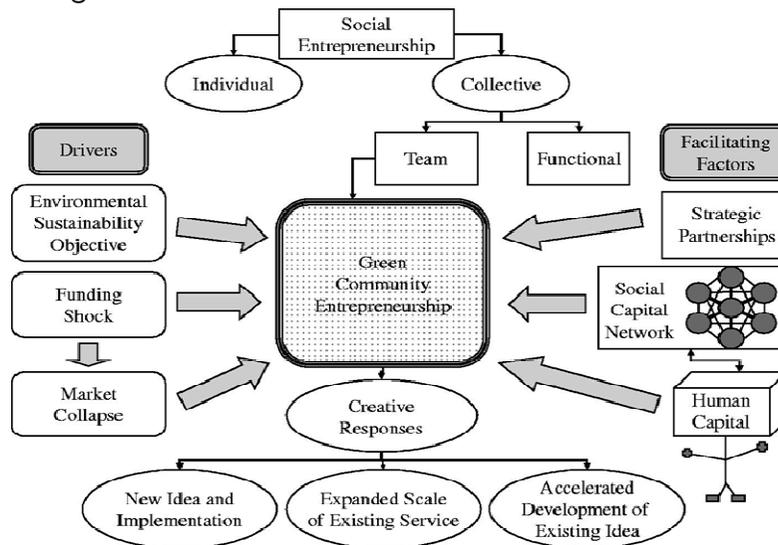
The terms social entrepreneur and social entrepreneurship were used first in the literature on social change in the 1960s and 1970s. The terms came into widespread use in the 1980s and 1990s, promoted by Bill Drayton the founder of Asoka: Innovators for the Public, and others such as Charles Leadbeater.

A social entrepreneur identifies practical solutions to social problems by combining innovation, resourcefulness and opportunity. Committed to producing social value, these entrepreneurs identify new processes, services and products, or unique ways of combining proven practice with innovation to address complex social problems. Whether the focus of their work is on enterprise development, health, education, environment, labour conditions or human rights, social entrepreneurs are people who seize on the problems created by change as opportunities to transform societies. The paper focuses on social entrepreneurs and entrepreneurship.

### **Definition**

Social entrepreneurship generally defined as Entrepreneurship activity with an embedded social purpose. There have been numerous attempts at defining Social Entrepreneurship. Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact s/he has on society. There are 3 key components that emerge out of this definition and are more or less common when it comes to the other variations of the definition of Social Entrepreneurship:

- The Problem
- A Sustainable Solution
- Social Change



**Qualities of Social Entrepreneurs**

Following are the qualities of social entrepreneurs

- **Ambitious:** Social entrepreneurs tackle major social issues, from increasing the college enrollment rate of low-income students to fighting poverty. They operate in all kinds of organizations: innovative nonprofits, social-purpose ventures, and hybrid organizations that mix elements of nonprofit and for-profit organizations.
- **Mission driven:** Generating social value —not wealth—is the central criterion of a successful social entrepreneur. While wealth creation may be part of the process, it is not an end in itself. Promoting systemic social change is the real objective.
- **Strategic** Like business entrepreneurs, social entrepreneurs see and act upon what others miss: opportunities to improve systems, create solutions and invent new approaches that create social value. And like the best business entrepreneurs, social entrepreneurs are intensely focused and hard-driving in their pursuit of a social vision.

**Challenges Faced by Social Entrepreneurs**

After a review of extensive literature the author mentions the following challenges faced by social entrepreneurs:

Conveying the Business Idea	Business People support
Attracting Donors	Government Approval
Working remotely	Maintaining product quality
Hiring	Sustaining employees
Finding Time	Competition from others

Getting Fund	Promoting Awareness
Raising Money	Acquiring Technologies

### **Examples of Successful Social Entrepreneurship**

#### **Aravind Eye Hospital & Aurolab**

Dr. Govindappa Venkataswamy (Dr. V) & David Green started trust at Madurai, India with a mission of making medical technology and health care services accessible, affordable and financially self-sustaining. Founded in 1976 by Dr. G. Venkataswamy, Aravind Eye Care System today is the largest and most productive eye care facility in the world. From April 2007 to March 2008, about 2.4 million persons have received outpatient eye care and over 285,000 have undergone eye surgeries at the Aravind Eye Hospitals at Madurai, Theni, Tirunelveli, Coimbatore and Puducherry. Blending traditional hospitality with state-of-the-art ophthalmic care, Aravind offers comprehensive eye care in the most systematic way attracting patients from all around the world.

#### **SKS India**

Vikram Akula started SKS India with a mission of empowering the poor to become self-reliant through affordable loans. SKS believes that access to basic financial services can significantly increase economic opportunities for poor families and in turn help improve their lives. Since inception, SKS has delivered a full portfolio of microfinance to the poor in India and we are proud of our current outreach. As a leader in technological innovation and operational excellence, SKS is excited about setting the course for the industry over the next five years and is striving to reach our goal of 15 million members by 2012.

#### **AMUL (Anand Milk Union Limited)**

Dr. Verghese Kurien started a Co-operative organization AMUL. Amul has been a sterling example of a co-operative organization's success in the long term. It is one of the best examples of co-operative achievement in the developing economy. The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world.

#### **Grameen Bank**

Muhammad Yunus started Grameen Bank. Grameen Bank (GB) has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. Professor Muhammad Yunus, the founder of —Grameen Bank and its Managing Director, reasoned that if financial resources can be made available to the poor

people on terms and conditions that are appropriate and reasonable, these millions of small people with their millions of small pursuits can add up to create the biggest development wonder. As of May, 2009, it has 7.86 million borrowers, 97 percent of whom are women. With 2,556 branches, GB provides services in 84,388 villages, covering more than 100 percent of the total villages in Bangladesh.

### **Shri Mahila Griha Udyog Lijjat Papad**

Shri Mahila Griha Udyog Lijjat Papad is a Women's organization manufacturing various products from Papad, Khakhra, Appalam, Masala, Vadi, Gehu Atta, Bakery Products, Chapati, SASA Detergent Powder, SASA Detergent Cake (Tikia), SASA Nilam Detergent Powder, SASA Liquid Detergent. The organization is wide-spread, with its Central Office at Mumbai and its 67 Branches and 35 Divisions in different states all over India.

The organization started off with a paltry sum of Rs.80 and has achieved sales of over Rs.300 crores with exports itself exceeding Rs. 12 crores. Membership has also expanded from an initial number of 7 sisters from one building to over 40,000 sisters throughout India. The success of the organization stems from the efforts of its member sisters who have withstood several hardships with unshakable belief in the strength of a woman.

### **Conclusion**

The author concludes that social entrepreneurship has emerged to a greater extent and is well appreciated. The bottom of the pyramid is getting benefitted due to social entrepreneurship. The social entrepreneur needs to be innovative, socially aware and ready to take risk. There are many challenges faced by the social entrepreneurs like conveying the business idea, working remotely, getting fund, government approval, competition from others, acquiring technologies, promoting awareness and getting skilled workers. Though these challenges exist there are many successful examples of social entrepreneurial ventures like Lijjat Pappad, Amul & Gramin Bank. There is lot of scope for social entrepreneurs in India.

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## ENTREPRENEURIAL INTENTIONS AMONG BUSINESS ADMINISTRATION STUDENTS

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### **Abstract**

India has the second largest population in the world and its human capital is the most critical input in creation and exploitation of entrepreneurial opportunities. India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years. It is therefore crucial to develop the Entrepreneurial Intentions of students in Higher Educational Institutions by giving them adequate training in skill development and inculcating the traits required of an entrepreneur. Girls can successfully venture into entrepreneurship with Educational Support, Behavioural Traits along with Family Support. A study which included 57 Business Administration students revealed the levels of Educational Support(60%), Behavioural Traits(56%), and Family Support(54%) and are to be high, while Entrepreneurial Intention is moderate(50%). There is also a strong, positive correlation between Entrepreneurial Intention and Educational Support( $r=.636$ ).

**Keywords:** Entrepreneurship, Entrepreneurial Intention, Behavioural Traits

### **Introduction**

Entrepreneurship is an activity, which leads to the creation and management of a new organization designed to pursue a unique and innovative opportunity. Entrepreneurship is the process of designing, launching and running a new business which is more often than not, initially a small business, offering a product, process or service for sale or hire. Entrepreneurship has been described as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit". It involves measures to encourage individuals to become entrepreneurs and equip them with the necessary skills to create a successful business model. Entrepreneurship is bound to play a critical and pivotal role in the growth and development of the Indian economy in the coming years.

The globalization of industry and commerce is bringing a vast change in various aspects of life. Economic development of a country is the outcome of purposeful human activity. India has the second largest population in the world and its human capital is the most critical input in creation and exploitation of entrepreneurial opportunities. India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years, A developing country like India needs entrepreneurs who are competent to perceive new opportunities and are willing to take the necessary risk in exploiting them. Such a developing economy is required to be brought out of the

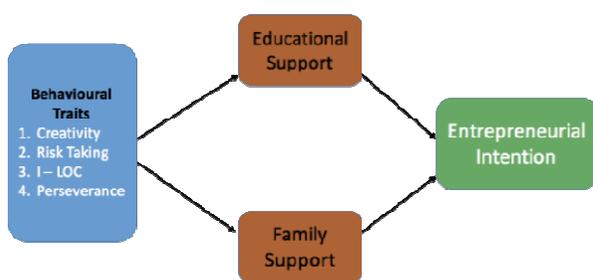
vicious circle of low income and poverty. Entrepreneurs can break this vicious circle. Entrepreneurs together with a supportive government can change a developing economy in developed economy.

Countries which promote entrepreneurship can reap benefits in the following:

- **Employment Generation:** Unemployment is a chronic problem in most of the developing and underdeveloped countries. Entrepreneurs play an effective role in reducing the problem of unemployment in the country which in turn promotes economic development of the nation through the setting up of small businesses.
- **Capital Formation:** Entrepreneurs mobilize the idle funds which lead to capital formation. The funds used by entrepreneurs is a mix of borrowed and their own. This leads to creation of wealth which is crucial for the development of an economy.
- **Balanced Economic Development -** Small businesses need relatively low investment and can be easily undertaken in rural and semi-urban areas. This in turn creates additional employment in these areas and prevents migration of people from rural to urban areas. There is also the advantage of the optimal use of local resources. The growth of industries and business in these areas lead to a large number of public benefits like road transport, health, education and other related infrastructure facilities leading to balanced regional development.
- **Better standards of living:** When many such SME's are set up, there is a greater scope for higher rate of economic growth. Entrepreneurs will be able to produce goods at lower cost and supply quality goods at lower price to the consumers. Thus the consumers get the power to buy more goods which increase the standard of living of the people.
- **Import Substitution:** Entrepreneurs help to manufacture indigenous substitutes to imported products which reduce the dependence on foreign countries. There is also a possibility of exporting goods and services to earn foreign exchange for the country. Hence, the import substitution and export promotion ensure economic independence and the country becomes self-reliance.
- **Overall Development:** Entrepreneurs act as catalytic agent for change which results in the overall development of the country. The process of industrialisation sets in leading to economic growth.

## Factors Promoting Entrepreneurial Intention

**Diagram No. 1: Conceptual Framework of Entrepreneurial Intention**



control and perseverance, which are crucial to becoming a successful entrepreneur.

**1. Behavioural Trait:** Successful entrepreneurs share many personality traits. Such traits are helpful for understanding entrepreneurial behaviours and intentions. Entrepreneurs share a collection of common characteristics that includes ability to tolerate risk, creative ability, a high level of internal locus of

2. **Educational Support:** Educational institutions play a vital role in inculcating entrepreneurial skills among students through skill development courses that offer practical training and provide necessary theoretical knowledge through classroom interactions.
3. **Family Support:** Family support is crucial to succeed as an entrepreneur. Parents, siblings, spouses — all of them have an influence on the entrepreneur. Sometimes they can be supportive, and sometimes they can be negative. An entrepreneur requires both financial and emotional support from the family.
4. **Entrepreneurial intention** is the personal orientations which might lead to venture creations.

Literature review on entrepreneurship education shows that there are two schools of thought regarding the conceptual framework for teaching entrepreneurship. One is the “new venture creation” and the other is known as “innovation” (Saks & Ganglion, 2002). Entrepreneurship education tries to develop in the participants the intention to perform entrepreneurial behaviours, entrepreneurial knowledge and desirability of the entrepreneurial activity (Liñán, 2004). The degree to which a society stimulates entrepreneurial activity, as opposed to stimulating an individual to select a career as an employee, varies among nations, and within the different social groups of a nation. The reasons mentioned for these variations include cultural explanations (e.g., Altinay & Basu, 2002), business environment explanations (Acs et al., 2005), psychological explanations (e.g., Koh, 1996), or a mix of these.

The Achieving Society by McClelland(1961), researchers mainly focused on the effect of personality traits of entrepreneurs on their entrepreneurial behaviors. In 1980s and 1990s, researchers turned their attentions to the impact of individual intentions of entrepreneurship on their entrepreneurial behaviors. Meantime, the empirical study about entrepreneurial intentions and their influencing factors emerged in large numbers. Some researchers argued that compared with individual personality variable; individual intentions of entrepreneurship were more effective and had stronger explanatory ability in prediction of their entrepreneurial behaviors (Ajzen, 1987). During this period, six major entrepreneurial intention models were proposed, including the Entrepreneurial Event Model by Shapero (1982), the Theory of Planned Behavior by Ajzen (1991). Elfving, Brännback, & Carsrud (2009) pointed out those current entrepreneurial intentions models were often linear and static and put forth a Contextual Model of Entrepreneurial Intentions to avoid these limitations.

In this context, a study is conducted among final year undergraduate Business Administration with an aim to understand their intentions in setting up an entrepreneurship.

### **Objectives of the Study**

1. To measure the level of Entrepreneurial Intention among Business Administration students within the factors of Behavioural Traits, Family Support and Educational Support.

## Hypothesis

H<sub>0</sub>: There is no significant relationship between the Entrepreneurial Intention with Behavioural Traits, Family Support and Educational Support among final year business administration education students.

## Scope of Study

The study is confined to final year graduating Business Administration students of an Educational Institution in Madurai.

## Methodology

The study follows descriptive research design. The population for the study consists of the final year Business Administration students drawn from an educational institution. It is a census study.

**Table No: 1: Distribution of Population**

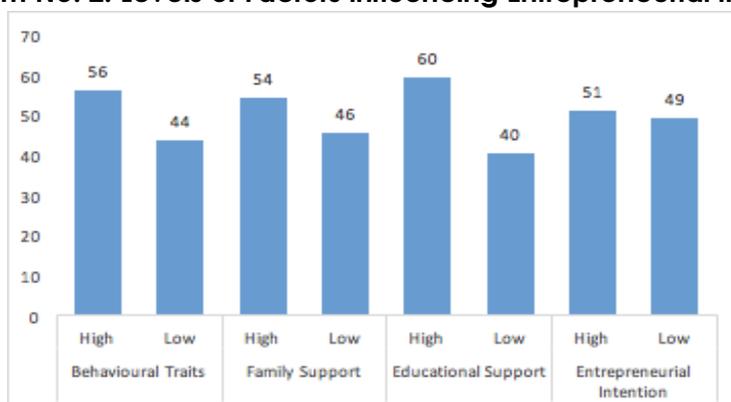
Discipline	Population Size
Business Administration	57

Primary data was collected using an inventory that consist of 24 statements measuring 3 different factors influencing

Entrepreneurial Intention which includes Behavioural Traits, Family support, and Educational Support with 6 statements in each dimension. Five-point scale was adapted to measure the responses. Interview schedule was adopted to collect data. Secondary data used for the study are e-journals and internet. SPSS was used to test hypothesis and generate multi variant tables. Bar diagram was used to present the data.

## Findings & Discussion

**Diagram No. 2: Levels of Factors influencing Entrepreneurial Intention**



**Table No: 2: Table showing the Level of Factors that Influence Entrepreneurial Intention**

Variables	Level	Frequency	Percent
Behavioural Traits	High	32	56.1

	Low	25	43.9
	Total	57	100.0
Family Support	High	31	54.4
	Low	26	45.6
	Total	57	100.0
Educational Support	High	34	59.6
	Low	23	40.4
	Total	57	100.0
Entrepreneurial Intention	High	29	50.9
	Low	28	49.1
	<b>Total</b>	<b>57</b>	<b>100.0</b>

From the above table it can be found that the levels of **Behavioural Traits(56%)**-*Internal Locus of Control and Perseverance*, **Family Support(54%)** -*Family Business Background and Parents Leadership Qualities* and **Educational Support(60%)**-*Knowledge of opportunities for women* are found to be high, and **Entrepreneurial Intention(50%)** -*Starting a Business Firm and Preference for Entrepreneurship rather than working as an employee* is slightly lower.

### **Behavioural Traits**

This study has revealed that the highly influencing factors for Behavioural Traits are the attitude where they believe success is matter of hard work and not luck (I-LOC) and Perseverance .(i keep trying till i succeed) Least influencing factor according to respondent is (i do not get discouraged due to failure)

### **Family Support**

Highly influencing factor is that majority of the respondents belong to a business family and are inspired by the leadership qualities of their parents. Least influencing factor is that the respondents feel that their parents will not support them and help in taking take care of the business.

### **Educational Support**

Most influencing factor is the knowledge the course has given about the opportunities available for women. Least influencing factor is the confidence in choosing appropriate funding scheme for the business.

### **Entrepreneurial Intention**

Most influencing factor is the preference for entrepreneurship rather than being an employee and the intention to start a business Least influencing factor is that majority

of the respondents have not tried to implement their ideas on a small scale - by putting stalls during college functions.

**Table No.3: Mean Value Mean Values**

	<b>Behavioural Traits</b>	<b>Family Support</b>	<b>Educational Support</b>	<b>Entrepreneurial Intention</b>
N	57	57	57	57
Mean	25.56	24.21	25.70	22.86

From the above table, it can be seen that Educational Support (25.7) is high based on the mean score followed by Behavioural Traits (25.56) and Family Support (24.21). This shows that students are confident about the training given in their Educational Institution and families of students who are passionate about entrepreneurship can be counselled to motivate their wards.

H<sub>0</sub>: There is no significant relationship between the Entrepreneurial Intention with Behavioural Traits, Family Support and Educational Support among final year business administration education students.

**Table No.4: Pearson's Correlation**

	<b>Behavioural Traits</b>	<b>Family Support</b>	<b>Educational Support</b>	<b>Entrepreneurial Intention</b>
Behavioural Traits	1			
Family Support	.154	1		
Educational Support	.455**	.461**	1	
Entrepreneurial Intention	.330*	.400**	.636**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

From the above table it can be seen that 5 out of 6 correlations were statistically significant, out of which 1 correlation was significant at 0.05 level and 4 correlations were significant at 0.01 level.

There is **strong**, positive correlation between Entrepreneurial Intention and Educational Support( $r=.636$ ). There is **moderate**, positive correlation between Entrepreneurial Intention and Family Support( $r=.400$ ) and Entrepreneurial Intention and Behavioural Traits( $r=.330$ ), Educational Support and Family Support( $r=.461$ ), Educational Support and Behavioural Traits( $r=.455$ ). There is **low**, positive correlation between Family Support and Behavioural Traits( $r=.154$ ).

### **Suggestions**

More and more students can be motivated to put up stalls during college functions. This would give them an opportunity to plan and market products on a very small scale as a prelude to setting up a business enterprise. Workshops and seminars can be conducted on a regular basis to write business proposals and offer clarity in choosing appropriate funding schemes for the business. Higher Education Institutions can set up Business Incubators to help students teeth over intial problems of setting up a business enterprise and counseling session can be held with parents so that they also support and motivate their wards towards entrepreneurship.

### **Conclusion**

Entrepreneurship is crucial in today's market economy. It enables companies to go with the flow of the dynamic economy especially in managing risk, innovation, creativity, and uncertainty as well as growth. Entrepreneurship helps in augmenting the national income and makes sure of a proper distribution of the income to the society.

Education plays a vital role in inculcating entrepreneurial qualities among the young minds creating challenges for educational institutions to create a right direction for the young minds for a glorious tomorrow.

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## **A STUDY ON WOMEN EMPOWERMENT THROUGH SELF HELP GROUP IN MADURAI DISTRICT**

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### **Abstract**

*Self-help groups play a major role in poverty alleviation in rural India. A growing number of poor people in various parts of India are members of SHGs and actively engage in savings and credit (S/C), as well as in other activities. The S/C focus in SHG is the most prominent element and offers a chance to create some control over capital. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation. Though Women can empower themselves in different aspects through Self Help Groups, this paper aims to find out the Economic Empowerment of women through SHGs. The study was conducted in Madurai District and the sample respondents were Women who have engaged themselves in different activities through SHGs.*

**Keywords:** SHG, Women Empowerment

### **Introduction**

Mahatma Gandhi Says, "Woman is the companion of man, gifted with equal mental capacities. She has the right to participate in minutest details and liberty as he. She is entitled to a supreme place in her own sphere of activity as man is in his. Man and woman are equal in status but are not identical. They are peerless pair being complementary to one another: each helps the other, so that without the one, the existence of the other cannot be conceived, and therefore, it follows as a necessary corollary from these facts that anything that will impair the status of either of them will involve the equal ruin of both<sup>1</sup>." Due to changing environment, changing technology, improved social and economic conditions, and man's income is not sufficient to the family. Women also need to work and earn income. Thus women resources are also to be exploited. Women need not seek job from others but also she can create one for herself. Indian Government encourages women to go for self employment. By becoming an entrepreneur, woman can be self employed and provide employment to others also.

Self Help Group is about people coming together with others who are affected by a particular issue viz., experience, disadvantage, discrimination, etc., to support each other and to work together to change the disadvantage affecting them. Self Help group is a self-governed, peer-controlled small and informal association of the poor, usually from socio-economically homogeneous families who are organized around savings and credit activities. Funds for credit activities are coming through regular savings deposited by all of its members on a weekly or fortnightly basis. In the meetings,

they discuss common village problems and plan solution, share information; make efforts to improve their health and literacy skills.

### **Meaning of Empowerment**

Empowerment is a process of change by which individuals or groups gain power and ability to take control over their lives. It involves access to resources, resulting into increased participation in decision-making and bargaining power and increased control over benefits, resources and own life, increased self-confidence, self-esteem and self respect, increased well being. It means 'empowerment' is a multi-fold concept that includes economic, social political empowerment.

### **The Emerged Entrepreneurs of Madurai**

Mahalir Thittam and Madurai Corporation gives increased importance to entrepreneur development programmes (EDP) and to vocational training programme like agar bathis (scented sticks) making, auto-rickshaw driving, bakery, book binding, goat/turkey rearing, beautification, fish farming, candle making, figre/leader/jute/palm leaf/paper/sea shell/ sanitary/herbal/coir products making, greeting cards, dairy farm products, computer training, cookery, photo/video, screen printing, tailoring, toy making, mushrooms, floriculture, handloom, Xerox, vermin-culture, gem cutting and brick making. This is a significant shift from the 'tailoring' and 'sewing machines' that has traditionally been thought of as women's programmes. There are 3162 Self Help Groups in Mahalirthittam in Madurai City and 2025 Self Help Groups in Corporation.

### **Statement of the Problem**

SHG programme has emerged across India as one of the most popular strategy for empowering women. Like a majority of microfinance programmes that target women, SHG programme also aims to empower women. It is the largest and fastest growing microfinance programme in the developing world. SHG programmes are also linked to other development initiatives of the non-governmental organisations and government agencies. Both the central as well as state governments are more involved and paid sincere attention to improve the self-help programme with an aim of empowering women.

### **Review of Literature**

- According to **Agarwal, Deepti (2001)**, "Women need to be viewed not as beneficiaries but as active participants in the progress of development and change empowerment of women could be organized into groups for community participation as well as for assertion of their rights in various, services related to their economic and social well being".
- **Mr.B.vijayachandra pillai, V.Harikumar (2006)**, In their research "SHGs is highly relevant to make the people of below poverty line " says the very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self reliant.

SHGs enable to increase their income improve their standard of living and status in society to the main stream ultimately, the nation reaps the advantages of socialism.

### Objective of the Study

- To understand the socio-economic profile of self-help groups in Madurai District.
- To analyses the income, expenditure and savings pattern of the Self Help Groups members.
- To study the level of satisfaction of members in Self Help Group.
- To find out the benefits through Self Help Group.
- To find out the problems faced by the members in Self Help Groups.
- To offer valuable findings and suggestions.

### Research Design

Research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine the relevance to the research purpose with economy in procedure. The descriptive research design has been employed for the present study.

### Sampling Technique & Sampling Design

The Madurai district has been purposively selected for the present study. The members of self help groups have been selected by adopting random sampling technique through pre-tested and structured questionnaire. The study aims at analyzing the women empowerment through Self Help Group in Madurai District. A total of 100 samples were taken for the study. Convenient sampling method has been used to collect the data.

### Hypothesis

There is no significant relationship between the motivational factors of the sample respondents and their level of Satisfaction of women empowerment through SHGs.

### Data Analysis and Interpretation

Data are analyzed by using SPSS package. It was used for quantifiable variables. Then the tables were prepared by using statistical techniques such as visualization percentage analysis Chi-square test, Garrett Ranking.

**Table 1 Age wise classification of the respondents**

**Source:** Primary data

S. No	Age	No of Respondents	Percentage
1	Less than 20	15	15
2	20 – 30	22	22
3	30 - 40	54	54
4	Above 40	9	9
	<b>Total</b>	<b>100</b>	<b>100</b>

**Interpretation:** The above table indicates that, 54 percentage of the respondents are age group of 30 – 40 years, 22 percentage of the respondents of the respondents are 20 – 30 years, 15 percentage of the respondents are age group of less than 20 years and remaining 9 percentage of the respondents are above 40 year.

**Table 2 Employment status wise distribution of the respondents**

**Source:** Primary data

S.No	Employment status	No of respondents	Percentage
1	Unemployed	18	18
2	Agricultural labour	32	32
3	Industrial labour	25	25
4	Self employed	13	13
5	Vendor of goods	12	12
	<b>Total</b>	<b>100</b>	<b>100</b>

**Interpretation:** Table 2 shows that, 32 percentage of the respondents are agricultural labour, 25 percentage of the respondents are industrial labour, 18

percentage of the respondents are self employed, 13 percentage of the respondents are self employed and remaining 12 percentage of the respondents are vendor of goods.

**Table 3 Reasons for joining Self Help Group**

**Source:** Primary data

S.No	Reasons	No of respondents	Percentage
1	Getting Loan	58	58
2	Starting business	30	30
3	Promoting savings	12	12
	<b>Total</b>	<b>100</b>	<b>100</b>

**Interpretation:** The above table shows that, 58 percentage of the respondents joining self help group in getting loan, 30 percentage of the respondents are starting business and remaining 12 percentage of the respondents are promoting

savings to join self help group.

**Table 4 Year of experience**

**Source:** Primary data

S.No	Year	No of respondents	Percentage
1	Less than 2 years	32	32
2	2 – 5 years	44	44
3	Above 5 yrs	24	24
	<b>Total</b>	<b>100</b>	<b>100</b>

**Interpretation:** The above table shows that, 44 percentages of the respondents are 2 – 5 years experience, 32 percentages of the respondents are less than 2 years and remaining 24 percentages of the respondents

are above 5 years.

**Garrett Ranking Technique** is used to rank the problem faced by women SHPs. For this the researcher identified 10 factors and asked the respondents to rank the factors in the order of problem.

**Table 5 Problem faced by respondents**

**Source:** Primary data

S.No	Problems	Total score	Average	Rank
1	Lack of adequate fund	5230	52.30	V
2	Lack of technology	5015	50.15	IX
3	Inability to reduce the cost	5627	56.27	II
4	More competition	5228	52.28	VI
5	High transport cost	4736	47.36	X
6	Lack of advertisement	5070	50.70	VIII
7	Male – female competition	5163	51.63	VII
8	Inadequate information	5291	52.91	IV
9	Absence of family support	5823	58.23	I
10	Professional competence	5468	54.68	III

**Interpretation:** The above table shows that encountered the number of problems faced by the respondents regarding Women SHGs for assigned by rank and fed the data into Garrett ranking techniques reveals

Absence of family support measures got the first rank with 58.23 mean score and followed by inability to reduce the cost, professional competence and inadequate information.

### **Association between the Motivational Factors of the Respondents and their Level of Satisfaction of Self Help Group in Madurai District**

**Null Hypothesis:** There is no significant relationship between the motivational factor and their level of satisfaction.

**Table 6 Motivational factor of the respondents**

S.No	Motivational factors	Low	Medium	High	Total
1	Economic independence	4	21	8	33
2	Training received	6	10	6	22
3	To gain economic status	2	4	6	12
4	Desire to do something	1	9	3	13
5	Not willing to work anywhere	3	2	4	09
6	Encouragement and support from informal group	2	6	3	11
	Total	18	52	30	100

**Source:** Primary data

### **Chi- square test**

Calculated value	10.65
Table value	18.3
Degree of freedom	10
Inference	Not Significant

**Interpretation:** It is evident from Table 7 that the table value at 5 per cent level is higher than the calculated value. Therefore the null hypothesis is

accepted. Hence, it is concluded that there is not significant relationship between the motivational factors of SHGs and their level of satisfaction.

### Findings

- 54 percentages of the respondents are age group of 30 – 40 years of women SHG.
- 32 percentages of the respondents are agricultural labour.
- 58 percentages of the respondents joining self help group in getting loan.
- 44 percentages of the respondents are 2 – 5 years experience.

### Suggestions

- Since the majority of SHG members are from rural and semi-urban areas and are in the age level of less than forty years, it is suggested that in urban area SHGs could be started with young women. These members even though literates got maximum level of education as completed higher secondary education.
- SHG members must be encouraged to get additional education so that educational status may be improved in rural and semi-urban areas.
- It is suggested that the Non Government Organizations should be prevented from interfering with Self Help Groups movement. Steps should be taken to keep them as voluntary organizations and they should not be allowed to use extraneous influences
- Since majority of the women are ignorant of their legal rights, legal literacy classes should be organized to enhance their awareness.
- In many of the Self Help Groups, the same person is continuing in the offices as group secretary. So, rotation of the group's secretary is necessary for equitable exposure to the banking transaction.

### Conclusion

The study was undertaken to identify women empowerment through Self Help Group in Madurai District. It is found that the socio- economic factor has been changed after joining the Self Help Groups. But the saving is increasing at earlier stage of life. There are emerging issues that need to be addressed to make the role of women in the long run. It is the clear that by involving voluntary organizations in social mobilization and creating an enabling policy environment, micro fiancé can achieve a vast scale and can become a rational movement. The self help group is important in re-strengthening and bringing together of the human race. We may conclude that the economic activities of Self Help Group are quite successful. In this way Self Help Group in Madurai district the very successful develop women empowerment and rural areas.

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## CHALLENGES FACED BY WOMEN ENTREPRENEUR IN SME'S

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### Introduction

Women entrepreneurs have also made a name for themselves in professional, scientific and technical services as well as in health care and social assistance. Women entrepreneur is an individual who applies feminist values and approaches through entrepreneurship, with the goal of improving the quality of life. They are motivated to enter commercial markets by desire to create wealth and social change, based on the ethics of cooperation, equality and mutual respect. Funding, knowledge, marketing, and branding are the major issues before women entrepreneurs

### Women Entrepreneur's in SME'S

Women entrepreneur's in SME's are important to almost all economics in the world, but especially to those in developing countries and within that broad category, especially to those with major employment and income distribution challenges. Thus women entrepreneurs can generate important benefits in terms of creating a skilled industrial base and industries and developing a well prepared service sector capable of contributing to GDP.

Challenges faced by women entrepreneurs

- Difficulty in obtaining loan from commercial banks.
- Shortage of technical skills.
- Balancing business and family life.
- Limited Mobility

### Difficulty in Obtaining Loan from Commercial Banks

Finance is said to be the "life blood" of every business undertaking be it large or medium or small scale enterprise. Usually women entrepreneurs face the problems of shortage of finance on two important grounds. Firstly, women do not generally have property on their own names to use that as collateral securities for obtaining loans/funds from banks and other financial institutions secondly, the banks also consider women less credit worthy.

Time to process application
Rigidity in terms and condition
In terms and condition
Addition documentation availing credit support
Accessing timely assistance
Cumbersome formalities

Amount of loan sanction
Processing cost
Service charges
Insisting compulsory deposit

The time taken for processing the applications very long and this is considered as one of the major problem for women entrepreneurs to avail the credit support. Most of the banks requires legal documents for applying loan. Financial institutions taking more time to complete the loan procedure. It is also a barrier to women entrepreneurs the formalities stipulated by the financial institutions in extending loan assistance comprise the elaborate courses of action, the promoter has to do in connection with the preparation and submission of a complete loan application along with the various documents, preliminary appraisal, supply of information on queries made by the financial institution project appraisal, provision of security, sanctioning of loan, execution of loan agreement, availing investment subsidy and repayment.

The amount of loan sanction is based on repayment capacity of the borrower by analyzing the monthly income, financial history, other unpaid loans, past payment record, credit card usage history if any, bounced cheques, average balance with the banks , continuity in present employment, total years in employment, nature of employment etc. bank decides how much a loan a person can get with every application form for loans, banks require certain percentage of loan amount to be submitted as the processing fees. This processing fee is generally not refundable.

The service charge levied by the financial institutions as fee for the processing and sanctioning of loan applications is compulsory for promoters they usually limit the term loan assistance to a unit by insisting on a minimum promoter's capital requirement. This minimum share may vary from ten percent to fifty percent of the project cost of the unit, depending on the nature of industry, track record of the promoter, security offered by the promoter, and above all the lending policy of the institution.

### **Shortage of Technical skills**

Women entrepreneurs also lack access to latest technologies that could enable them to overcome drudgery, improve efficiency/productivity, or enable them climb up the value chain. In agriculture, for example, women do not own much of the land. They have little information about better quality of seeds, diverse cropping mechanisms, farming produce trends and technology, tools, and market demand and prices. Due to these factors women have lost out on many opportunities (e.g. food processing). This, despite the fact that they toil the most in the farms.

Technology ranges from very basic and easy to use to very complex and high end. For example, post-harvest Engineering & Technology, Ludhiana, have created several ready-to-use technologies like automatic litchi peeler, tomato grader, pomegranate oil extractor, groundnut de-skinner, ber (berry) fruit grader, and automatic custard apple peeler, among others. It has been proven time and again (e.g. through Gujarat experience) that when women are trained in better farming techniques and technology adaptation, the success rate of ventures has been better.

### **Balancing Business and Family Life**

There are pressures from within the family, competing roles women play within the household, opposition from within the family due to societal stereotypes, and lack of child care support systems. These make women guilt-ridden and inhibit them from turning entrepreneurs. But with more women leaders coming to the forefront on corporates boards and as entrepreneurs, like IndraNooyi, Chanda Kochar, Kiran Majumdar Shaw, NeelamDhawan, SulajjaFirodiaMotwani hopefully these intrinsic pressures will slowly fade away. But the drive has to begin from within, with the SELF affirmation to succeed.

### **Limited Mobility**

Women in India have to face lot of restriction on their mobility, our society still have some conservativeness, and due to that career of women is limited to four walls of kitchen. Though women faced lots of problems being mobile in entrepreneurial activity, the mobility problem has been eliminated to very certain extent by the expansion of education awareness to all.

### **Conclusion**

Experts believe that the resources and strengths of women need to be channelized, to help their full potential. It acts as a catalyst for the social and economic advancement of women and society at large. Educational and vocational training programs, panel discussions and workshops on a vast range of subjects especially concerning women and business should be a part of this process empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business.

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## **A STUDY ON OBSTACLES AND OPPORTUNITIES OF WOMEN ENTREPRENEURS IN INDIA**

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### **Introduction**

The educated women do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. However, Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Women are considered as weaker sex and always made to depend on men folk in their family and outside, throughout their life. The Indian culture made them only subordinates and executors of the decisions made by other male members, in the basic family structure. While at least half the brainpower on earth belongs to women, women remain perhaps the world's most underutilized resource. Despite all the social hurdles, India is brimming with the success stories of women. They stand tall from the rest of the crowd and are applauded for their achievement. 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 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women||. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their on legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion an

### **Objectives of the Study**

- To evaluate the factors responsible for encouraging women to become entrepreneurs
- To study the impact of assistance by the government on women's entrepreneurship
- To study the policies, programmes, institutional networks and the involvement of support agencies in promoting women's entrepreneurship.
- To critically examine the problems faced by women entrepreneurs

### **Limitation of the Study**

- The study concentrate only women entrepreneur

### **Opportunities for Women to become and Entrepreneur**

- Employment generation
- Role model to others
- support of family members
- Education and qualification
- Bright future of their wards
- Freedom to take own decision and be independent
- Government policies and procedures
- Need for additional income

### **Obstacles of women Entrepreneur**

In a male dominated society, women are not treated equal to men that act as a barrier to woman's entry into business.

- Women entrepreneurs have to face a stiff competition with the men entrepreneurs Lack of self-confidence, will-power, strong mental outlook and optimistic attitude
- The family members and the society are reluctant to stand beside their entrepreneurial growth
- The old and outdated social outlook to stop women from entering in the field of entrepreneurship is one of the reasons for their failure. They are under a social pressure which restrains them to prosper and achieve success in the field of entrepreneurship Unlike men, women mobility in India is highly limited due to many reasons
- Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women compels them to give up their spirit of surviving in enterprise altogether.
- Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations.
- The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again.
- Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and family.
- The business success also depends on the support the family members extended to women in the business process and management.

### **Government role in Stregthening Women Entrepreneur through Various Schemes**

- Prime Minister's Rojgar Yojana (PMRY)
- Entrepreneurial Development programme (EDPs)
- Management Development programmes
- Women's Development Corporations (WDCs)
- Marketing of Non-Farm Products of Rural Women (MAHIMA)

- Assistance to Rural Women in Non-Farm Development (ARWIND)
- Trade Related Entrepreneurship Assistance and Development (TREAD)
- Working Women's Forum
- Indira Mahila Yojana
- Indira Mahila
- Kendra Mahila
- Samiti Yojana Mahila Vikas Nidhi
- Micro Credit Scheme Rashtriya Mahila Kosh

### **Suggestion for Prospects of Women Entrepreneurship**

- Effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women.
- The role of Women entrepreneur in economic development must be recognized steps must be taken by the economist and government to promote women entrepreneurship.
- Resurgence of entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy.
- Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.
- Every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field
- Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than dependent on wage employment outlets.

The unexplored talents of young women can be identified, trained and used for various types of industries

### **Conclusion**

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women. Women sector occupies nearly 45% of the Indian population.

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**PROBLEMS, PROSPECTS & SCHEMES OFFERED BY GOVERNMENT  
TO THE WOMEN ENTREPRENEURS IN MICRO,  
SMALL AND MEDIUM ENTERPRISES**

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**Abstract**

Women are generally perceived as home makers with little to do with economy or commerce. In Modern India, more and more women are taking up entrepreneurial activity especially in micro, small and medium scale enterprises. Women across India are showing an interest to be economically independent. The Indian women are no more treated as beautiful showpieces. They have carved a niche for themselves in the male dominated world. Indian women well manage both burden of work in household front and meeting the deadlines at the work place. Even though the government organizes women by various associations, they are not ready to undertake the business. As compared to men, women are less motivated to start business units due to some unwanted fear, lack of motivation and kind of activities. Women are considered to be good leaders in matters requiring collaboration, group integration and ability to listen and motivation. Recent trends in India and even at global level women are far more superior to men in various aspects of development. Only problem is that so far the society has given little chance to women to enter into the fields of various economic activities. This paper focuses mainly on the Women entrepreneurs and their swot analysis and how they overcome the problems and shine in various fields of the country.

**Keywords:** Women entrepreneurs, challenges for women entrepreneurs, overcoming challenges

**Contents**

- Introduction
- Objectives of the study
- Statement of the problem
- Research methodology
- Frame work of analysis
- Schemes offered by Government of India
- Innovation and Women entrepreneur
- Factors influencing Women entrepreneur
- Problems faced by Women entrepreneur
- Obstacles in the path of Women entrepreneur
- constraints faced by the Women entrepreneur
- findings
- Suggestions
- Conclusion
- Questionnaire

## **Introduction**

The topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The transition from homemaker to sophisticated business woman is not that easy. But this picture is changing. The micro, small and medium scale enterprises (MSMEs) have been generally acknowledged as the bedrock of the industrial development of any country. The micro, small and medium enterprises (MSMEs) sector in India has a very pivotal role to play in the development of the country. In India, MSMEs are the second largest source of employment after agriculture. They account for almost 40 per cent of industrial production, 95 per cent of the industrial units, 34 percent of the exports and manufacture over 6000 products. This sector produces a melange of industrial products such as food products, beverage, tobacco and goods produced from it, cotton textiles and wool, silk, synthetic products, jute and jute products, wood and wood products, furniture and fixtures, paper and goods produced from it. Other services also include machinery, apparatus, appliances and electrical machinery. This sector also has a large number of growing service industries. This paper focuses mainly on the Women entrepreneurs and their problems and schemes offered to them and how they overcome the problems and shine in various fields of the country.

## **Objectives of the Study**

1. To find out the factors which encourage women to become entrepreneurs
2. To study the support given by the government to women entrepreneurs.
3. To examine the factors influencing women entrepreneurs and obstacles faced by women entrepreneurs.
4. To draw conclusions and offer suggestions.

## **Statement of the Problem**

The Indian government is implementing policies for entrepreneur of women in external inducement like political and economic processes, strengthening the institutional frame work for speedy implementation. Women in many countries still lack in right to inherit property, own land, get education, obtain credit, earn income etc., They are still widely represented in involvement in decision making at the household at society level.

## **Research Methodology**

The Type of Research details includes Sampling Plan where Stratified Random sampling has been used and the Sample size. Primary data was obtained through a well Structured Questionnaire.

## **Collection of Data**

Data were collected from the primary source of 50 respondents from Madurai city with the help of an interview schedule.

### Sampling Design

200 samples were selected for this study. The data and the information are collected from respondents on the basis of convenience sampling method.

### Frame Work of Analysis

- Percentage Analysis
- Garrets ranking technique
- Chi-square Test
- Sign test
- T – test

### Review of Literature

**H. Subrahmanyam (2011)** compares women education in India at present and Past. Author highlighted that there has a good progress in overall enrolment of girl students in schools. The term empower means to give lawful power or authority to act. It is the process of acquiring some activities of women.

**M. Bhavani Sankara Rao (2011)** has highlighted that health of women members of SHG have certainly taken a turn to better. It clearly shows that health of women members discuss among themselves about health related problems of other members and their children and make them aware of various Government provisions specially meant for them.

**Doepke M. Tertilt M. (2011)** Does Female Empowerment Promote Economic Development? This study is an empirical analysis suggesting that money in the hands of mothers benefits children. This study developed a series of non cooperative family bargaining models to understand what kind of frictions can give rise to the observed empirical relationship.

### Classification of Enterprises

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

- a) Manufacturing Enterprises:** The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation Act, 1951). The Manufacturing Enterprises are defined in terms of investment in Plant & Machinery.
- b) Service Enterprises:** The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipments.

Women have the burden of preparing food for the family, besides fulfilling their fundamental role of nurturing and caring for the children and tending to elderly members of the household. Even then they suffer from being economically and socially invisible. This can be changed by creating an awareness for the women about how to tackle with problems and to overcome in it.

## **Schemes Offered by Government of India**

**At present, the Government of India has over 27 schemes for women. Some of these are:**

- Assistance to Rural Women in Non-Farm Development (ARWIND) schemes
- Entrepreneurial Development programme (EDPs)
- Indira Mahila Yojana
- Indira Mahila Kendra
- Integrated Rural Development Programme (IRDP)
- Khadi And Village Industries Commission (KVIC)
- Management Development programmes
- Women's Development Corporations (WDCs)
- Marketing of Non-Farm Products of Rural Women (MAHIMA)
- Mahila Vikas Nidhi
- Mahila Samiti Yojana □□□ Mahila Vikas Nidhi
- Micro Credit Scheme
- Micro & Small Enterprises Cluster Development Programmes (MSE-CDP).
- NGO's Credit Schemes
- NABARD- KfW-SEWA Bank project
- National Banks for Agriculture and Rural Development's Schemes
- Priyadarshini Project- A programme for Rural Women Empowerment and Livelihood in Mid Gangetic Plains'
- Prime Minister's Rojgar Yojana (PMRY)
- Rashtriya Mahila Kosh
- Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP)
- SIDBI's Mahila Udyam Nidhi
- SBI's Stree Shakti Scheme
- Trade Related Entrepreneurship Assistance and Development (TREAD)
- Working Women's Forum
- Training of Rural Youth for Self-Employment (TRYSEM)

## **Investment Strategies by MSME**

According to the Micro, Small and Medium Enterprises (MSME) Development Act of 2006, (India) a micro enterprise is where the investment in plant and machinery does not exceed twenty five lakh rupees. A small enterprise is where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees. A medium enterprise is where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees. In the case of the enterprises engaged in providing or rendering of services;

- A micro enterprise is where the investment in equipment does not exceed ten lakh rupees.
- A small enterprise is where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees.

- A medium enterprise is where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

The dynamic role of micro, small and medium scale enterprises in developing countries have been highly emphasized. These enterprises have been identified as the means through which the rapid industrialization, job creation, poverty alleviation and other development goals of these countries can be realized. The changing role of small and medium scale enterprises in developing countries as an engine through which the growth objectives of developing countries can be achieved has long been recognized.

### **Some of the Organizations are Associated with MSMES**

Small Industries Development Organisation (SIDO), Small Scale Industries Board (SSIB), National Small Industries Corporation Ltd. (NSIC), Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI), PHD Chamber of Commerce and Industry (PHDCCI), Associated Chamber of Commerce and Industry of India (ASSOCHAM), Federation of Indian Exporters Organisation (FIEO), World Association for Small and Medium Enterprises (WASME), Federation of Associations of Small Industries of India (FASII), Consortium of Women Entrepreneurs of India (CWEI), Laghu Udyog Bharti (LUB), Indian Council of Small Industries (ICSI), Indian Institute of Entrepreneurship (IIE), National Institute of Small-Industry Extension Training (NISJET), National Backward Caste Finance Development Corporation, National Institute for Entrepreneurship and Small Business Development (NIESBUD), Small Entrepreneurs Promotion and Training Institute (SEPTI), Small Industries Development Bank of India (SIDBI) etc..

### **Categories of Women Entrepreneurs**

There are three categories of women entrepreneurs, i.e. "chance", "forced" and "created" entrepreneurs. These different categories are based on how their businesses got started, or what are their main reasons or motivations to open their own businesses.

- Chance entrepreneurs are those who start a business without any clear goals or plans. Their businesses probably evolved from hobbies to economic enterprises over time.
- Forced entrepreneurs are those who were compelled by circumstances (e.g., death of a spouse, the family facing financial difficulties) to start a business, their primary motivation, hence, tend to be financial.
- Created entrepreneurs are those who are "located, motivated, encouraged and developed through, for instance, entrepreneurship development programs.

### **Major Problems of Women Entrepreneurs in India**

The entrepreneurial process is the same for men and women, there are however, in practice, many problems faced by women, which are of different dimensions and magnitudes, which prevent them from realizing their full potential as entrepreneurs. A few problems can be detailed as

- Male domination

- No proper financial assistance
- No financial resources
- Time constraint
- No proper Family support
- Marital problems
- Low level management skill
- Literacy
- Availability of requirements
- Competition
- No proper communication and guidance
- Education
- Sexual harassment

### Successful Women Workers in India of 21<sup>st</sup> Century

- Chanda Kocchar, Executive Director, ICICI Bank
- Ekta Kapoor, Creative Director, balaji Telefilms Ltd
- Jyoti Naik, President, Lijjat Papad.
- Kiran Mazumdar Shaw, Chairman
- Managing director Biocon Ltd. Lalit D.Gupte, JMD, iCICI Bank
- Naina Lal Kidwar, Deputy CEO, HBSE
- Preetha Reddy, Managing Director, Apollo hospitals
- Priya Paul, Chairman, Apeejay Park Hotels
- Rajshree Pathy, Chairman, Rajshree Sugars
- Chemicals Ltd. Ranjana Kumar, Chairman, NABARD

### Analysis and Interpretations

#### Chi-square Analysis

The opinion of the respondents and socio-economic characters relationship is applied for chi square test. The selected variables only to applied in this model. Table 1.3 reveals that the summary of the respondents. The chi-square analysis reveals that the factors are Age and Education are significant at 1% level. Marital status, business type and sources of finance are significant at 5% level of significance. The remaining factors are not significant at 5% level.

Sl.No	Factors	Chi-Square Value	Degree of Freedom	Table Value	Result
1	Age	17.26	6	16.81	Significant**
2	Educational Qualification	14.97	4	13.28	Significant**
3	Marital Status	12.56	2	5.99	Significant*
4	Family Income	3.65	6	12.59	Not Significant
5	Business Type	11.54	4	9.49	Significant*
6	Size of the Business	7.23	4	9.49	Not Significant
7	Sources of Finance	13.68	6	12.59	Significant*
8	Amount Spend	7.26	4	13.28	Not Significant

Significant at 5% Level, \*\*- Significant at 1%Level Source: Primary Data

### Major Constraints Faced by Women Entrepreneurship

Factors	Score	Mean Score	Rank
Lack of strong leadership	12824	64.12	1
Financial deficit	12696	63.48	2
Lack of education	7954	39.77	9
Non awareness of Govt. Schemes	9706	48.53	5
Lack of proper training	7190	35.95	10
Health problems	10053	50.265	4
Non re- payment of loans by members	9070	45.35	6
Leaders misusing the groups money	8726	43.63	7
Lack of systematic planning and working	10673	53.363	3
Other problems	8647	43.23	8

The table shows that problems faced by women entrepreneurs, the Garrette ranking method applied. It inferred that the most number of the respondents have given First rank for Lack of strong leadership; the respondents have given Second rank for financial deficit. The third rank was lack of systematic planning and working and followed by health problem, Non-awareness of Government scheme, Non- repayment of loan by the members, Leaders misusing the group's money, Other problems, Lack of Education and Lack of proper training.

### Motivational Factors

#### Sign test:

The sign test is a non-parametric test which makes very few assumptions about the nature of the distributions under test - this means that it has very general applicability but may lack the statistical power of the alternative tests.

$$H_0: P+ = (P+) \text{ OR } (P-) - (P-) = 0$$

$$Z = \left| \frac{\text{number of +s} - \text{number of -s}}{\sqrt{n}} \right|$$

**Table 6 Problems Faced by Women Entrepreneurs**

	Yes	No	Sign
Corruption	62	38	+
Family problem	70	30	+
Investment or capital	72	28	+
Labour	23	77	-
Lack of infrastructure	80	20	+
Male dominants	56	44	+
Work related problem	50	50	+
Competition	49	51	-

$$+s = 6 - s = 2 = \frac{|6-2|}{\sqrt{8}} = \frac{|4|}{2.8} = |1.43|$$

Sign test is a non parametric test. By this sign test we conclude that there are more positive signs than negative signs

### Weighted Average Method

S.No.	Factors	Highly satisfied	Satisfied	Neutral	Dis satisfied	Highly dissatisfied	Weighted average	Rank
1	Sexual harassment	68	32	0	0	0	15.86	1
2	litreacy	60	40	0	0	0	14.00	5
3	Corruption	63	37	13	0	0	13.13	7
4	Marital problem	67	23	10	0	0	13.53	6
5	Low management skills	51	31	10	8	0	12.06	11
6	Availability of requirements	44	31	25	0	0	12.46	9
7	Other problems	32	31	37	0	0	10.86	15
8	Investment	24	0	76	0	0	11.60	12
9	Competition	21	33	33	13	0	13.00	8
10	Infrastructure	22	35	31	12	0	11.26	13
11	No proper guidance	57	20	23	12	0	12.40	10
12	Family problem	52	25	23	0	0	14.20	4
13	Male domination	41	22	37	0	0	15.20	2
14	No financial assistance	62	26	12	0	0	14.26	3
15	Labour problem	0	48	20	32	0	11.06	14

Factors	Score	Mean score	Rank
Desire to be independent		39.77	9
Earning more money	10053	50.265	4
Contribute to employment	10673	53.363	3
Better status in society	12824	64.12	1
Influenced by success stories	12696	63.48	2
To prove oneself	8647	43.23	8
To utilize own skill	9070	45.35	6
Desire to be independent	9706	48.53	5
Earning more money	7190	35.95	10
Employment	8726	43.63	7

### Findings

The findings of the data collected from 50 respondents are present in the chapter.

- Majority of the respondents result were significant in accordance with age, education, marital status, business type, source of finance and family income, size of the business, amount spent were not significant.
- Majority of the respondents (54%) fall in the married employees.

- Majority of the respondent lack of strong leadership rank 1 constraints faced by women entrepreneurship.
- Majority of the respondent to better status in society rank 1 in the motivational factors of the respondents.
- Majority of the respondents results shows positive signs for the problems faced by the women entrepreneurs.
- Majority of the respondents results shows sexual harassment ranked 1, male domination ranked 2 and financial assistance ranked 3 on the basis of weighted average metho

### **Suggestions**

The study mainly aims at evaluating the problems, financial assistance and schemes given to women entrepreneurs for their development and success. However, the study has revealed some of the problems faced by them in their business. The following are the suggestions given to them for their successful entrepreneurial development. General awareness, Encouragement and proficiency, Skill and Training, Employment opportunities, financial schemes and assistance. These are the suggestions given to women entrepreneurs for the entrepreneurial development.

- Interest free loans can be provided by govt subsidy should be increased
- To avail the benefits of large scale operation women's are encouraged to start joint stock companies.
- Parents of unmarried potential women entrepreneurs should encourage spending money on setting up business rather than giving preference to their marriage.
- Separate industrial estates may be set up exclusively for women entrepreneurs to reduce the initial investment and to create a special environment
- The government should conduct frequent training programmes with regard to new production techniques, sales techniques, etc, This training should be made compulsory for women entrepreneurs.
- The number of entrepreneurs from scheduled caste and most backward communities is very low awareness is to be created those women, by providing special attention.
- Women's co-operative societies can be started to procure the products from women entrepreneurs. It helps them in selling their products at a reasonable price.

### **Conclusions**

Today, women are no longer confine to the 3ks viz. Kitchen, kids and knitting. Tamil Nadu offers very little scope for the establishment of large and medium scale enterprises. Consequently the main thrust of planning revolves around the development of small and tiny industries based mainly on local skills to provide employment to local population, and these types of industries are also good enough to attract woman entrepreneurs as they have already been involved in such activities. Some of these activities are handicrafts, handloom, sericulture, etc. Rural women

entrepreneurs faced lots of problems at start-up as well as operating stage. The main reason of non availability of finance to women is their inability to provide collateral as they do not have any property on their name. On the other side women have got restricted mobility freedom and have to perform dual role one at family and other at work which hinders the entrepreneurial growth. The technological advancement and information technology explosion has reduced the problem of rural women entrepreneurs. Along with technological revolution, mental revolution of society is required to change the attitude of the society and provide women with democratic and entrepreneurial platform. India is a male dominated society and women are assumed to be economically as well as socially dependent on male members. Government takes various steps for the upliftment of women entrepreneurs. Women have the potential and determination to setup, uphold and supervise their own enterprise in a very systematic manner, appropriate support and encouragement from the society, family, government can make these women entrepreneur a part of mainstream of national economy and they can contribute to the economy progress. In spite of women entrepreneur facing many problems under current scenario the women entrepreneur are blessed with so many assistance provided by government.

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## ENTREPRENEURSHIP DEVELOPMENT IN SME SECTOR

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### **Abstract**

The growth of every nation largely depends on the development of SMEs. Companies that are in the development phase today will power employment and derive revenue tomorrow. In a developing nation like India, SMEs and entrepreneurs have a very important role to play in the future. Several research reports have shown that SME sector plays a vital role in overall economic development of the country. This article highlights government initiatives to develop small and medium enterprises, characteristics of entrepreneur in SME and programmes & schemes of the ministry of MSME implemented directly by ministry. In recent years, the MSME sector has consistently registered higher growth rate compared with the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. The sector not only plays a critical role in providing employment opportunities at comparatively lower capital cost than large industries but also helps in industrialization of rural and backward areas, reducing regional imbalances and assuring more equitable distribution of national income and wealth. MSMEs complement large industries as ancillary units and contribute enormously to the socioeconomic development of the country.

**Keywords:** Entrepreneurship, MSME, Economic development.

### **Introduction**

SMEs form the backbone of the Indian manufacturing sector and have become engine of economic growth in India. It is estimated that SMEs account for almost 90% of industrial units in India and 40% of value addition in the manufacturing sector. SMEs in India are facing number of problems like suboptimal scale of operation, technological obsolescence, supply chain inefficiencies, increasing domestic and global competition, fund shortages etc. In order to compete with such issues successfully SMEs need to adopt innovative approaches in their operations. To empower the SME Sector to take its rightful place as the growth engine of Indian economy, it is necessary to support the SMEs, educate and empower them to make optimum utilization of the resources, both human and economic, to achieve success. The SMEs need to be educated and informed of the latest developments taking place globally and helped to acquire skills necessary to keep pace with the global developments.

The Micro, Small and Medium Enterprises (MSMEs) play a pivotal role in the economic and social development of the country, often acting as a nursery of entrepreneurship. They also play a key role in the development of the economy with their effective, efficient, flexible and innovative entrepreneurial spirit. The MSME sector contributes significantly to the country's manufacturing output, employment and

exports and is credited with generating the highest employment growth as well as accounting for a major share of industrial production and exports.

According to World Bank's 2015 report on Ease of doing business on the basis of 11 defined parameters, based on the data of two cities i.e. Delhi & Mumbai, India's ranking is given in the table below:

<b>India's position on Ease of doing business</b>	
<b>Indicators</b>	<b>Rank (out of 189)</b>
Protecting Minority Investors	7
Getting Credit	36
Registering Property	121
Trading Across Borders	126
Getting Electricity & Resolving Insolvency	137
Overall Ease of Doing Business	142
Paying Taxes	156
Starting a Business	158
Dealing with Construction Permits	184
Enforcing Contracts	186

**Source:** World Bank (2015)

World Bank's statistics on India are not very promising for the startups and the entrepreneurs. Prime Minister Narendra Modi aims to improve India's ranking to first 50 countries from 142 in the World Bank's ease of doing business rankings. But the other reports like – NASSCOM Startup report 2014 seems to be very promising and motivating. According to this report India is the fastest growing and the 3rd largest base for startup ecosystem globally only after US & UK.

### **Need of the Study**

Developing countries like India, Small Medium Enterprises (SME) plays a key role in transition and developing countries. Small Medium Enterprises (SME) constitute a major source of employment and generate significant domestic and export earnings. As such, SME development emerges as a key tool in poverty reduction efforts. Considering that they lack resources compared to large enterprises.

### **Objectives**

- To study the problems faced by SMEs
- To highlight ASSOCHAM's recommendations to improve SME sector
- To study the Role of Entrepreneurs in development SMEs business

### **Important Traits of a Successful Entrepreneur**

- **Self-confidence** – the successful entrepreneur is noticeably confident. Self-confidence is an extremely important characteristic for the successful entrepreneur. Before you start your business, you should feel confident in your abilities and trust yourself and your unique set of skills. When and if the time

comes, the successful entrepreneur knows how to summon the drive and determination needed to achieve his dream of starting his own business. He should be confident enough to tackle adversity and resolve any problems that could interfere with his dream.

- **Risk taker** – successful entrepreneurs don't always play it safe. They know when to trust their instincts and act on a hunch. Some of the greatest business ventures in history started from a simple "gut feeling" or "hunch". Let's face it, there's always the risk of loss or failure, but the successful entrepreneurs is not afraid to take that chance.
- **Fiscally fit** – the successful entrepreneur is careful with his finances. He understands the value of money and is usually very particular about his expenditures for his business as well as in his personal life. He may have learned the value of money at an early age; maybe as a teenager who mowed lawns after school or a little boy who took the neighbors trash out every evening.
- **Good Intuition** – some entrepreneurs claim to "just know" (hunch) if a product or service is going to be a success. No, they aren't psychic, most likely they just really pay attention to what's going on in the world around them. They pay attention to the latest trends and are usually active in their industry in some way.
- **Competitive nature** – the business world is highly competitive regardless of the industry you're in. The successful entrepreneur knows he must be aggressive if he wants to achieve his dream. He doesn't feel threatened by his competitors and is always looking for ways to make his business stand out from the crowd. He's not afraid to work hard to be successful.
- **Honorable habits** – the successful entrepreneur has a good work ethic. He welcomes suggestions and criticism from his customers or clients and diligently looks for ways to improve his business products and services based on those suggestions. He believes that good work ethic will lead to better business practices, improved business reputation and good standing among industry peers and business associates.
- **Vacation time** – the successful entrepreneur recognizes the importance of leisure time. He knows when it's time to step back and relax and spend quality time with family and friends. Taking time away from the hectic business world rejuvenates our mind and body and allows us to better deal with the stresses and strains that inevitably come with having our own business.

### Role of Entrepreneurship in SMEs Development

Small business is the natural habitat of an entrepreneur. They are really found in Giant Industries. Small businesses provide goods as services as well as serve as a nursery of entrepreneurial and managerial talent. Initially the capital investment in small ventures is nominal and the technology used is low, so it becomes easy for first time entrepreneurs to set up a venture. In the beginning usually these ventures are a "one man show" where the entrepreneur looks after the myriad functions of production, marketing, finance, legal etc. The entrepreneur gets a chance to increase his knowledge, skill and competence. He takes decisions independently and it is in these

circumstances that entrepreneurial talent blossoms. In developing economies it is through a large number of such small enterprises started by these imitator entrepreneurs that a chain reaction is set into motion, which leads to cumulative progress. It is pertinent to note that nearly 70 percent of the total innovations in the world have come from the Small Scale Sector. Many of the big businesses today for example, Siemens, Ford, Eastman Kodak, Lever Brothers, Reliance, Nirma, Rasna were all started small and then nurtured into big businesses. Narayan Moorthy of Infosys spent 20 years in founding, building and nurturing Infosys. Small business mobilizes small savings, taps the latent entrepreneurial talent across regions and provides a platform for them to develop and fine-tune their 24 entrepreneurial spirit. In the process the entire country benefits in the form of goods and services and higher standard of living. Entrepreneurship is a driving force behind SMEs. Entrepreneurs are the driving force behind SMEs, and SMEs play an important structural and dynamic role in all economies. The main areas where increased levels of entrepreneurial activity can contribute significantly to specific policy outcomes are:

- Create opportunities -Job creation, careers, and new products/services
- Economic growth, productivity improvement, and innovation.
- Poverty alleviation and social opportunities.
- Build new customers and open up new markets.

### **Problem Faced by Branding of SME Products and Services**

Company brand plays an important role in identifying our products and services in the marketplace; it's also differentiating your products with other products and services. But the brand is normally associated with big business origination but it is also important for SME It would be very difficult to establish SME brand's and services in domestic as well as International market. Advising expenses are a bit expensive it's not being affordable to Small Medium Enterprises {SME} due to lack of funds.

Branding is a subject of marketing and not advertising as wrongly believed. Theories of modern day marketing look into market segmentation, targeting, positioning and then employs techniques in developing the USP (Unique Selling Proposition) which then further extended to mass and specific audience with the science of branding.

Social Networks is an excellent platform to inform, educate and engage with people, it also serves as an entrepreneur's online storefront. If it's not managed wisely, mistakes can quickly go viral and become a small business's nightmare. Understanding your audience, posting strategically and practicing online etiquette can go a long way toward growing your business. An SME can market their products and services through Information technology are as below:

- Networking Sites like Facebook, Watz up etc. Free advise your products & services

Established your Company or Origination community page's, share your products and services. Develop on your own web page-free web pages on the net at minimum amount Blog-Information about your products, specification, price etc. Business networking sites like Linked in, an SME can add or developed a discussion group or forms.

- B2B or B2C sites are one of the best options to develop a sound business opportunity

Finance Minister has proposed to provide Rs. 5,000 Crore to SIDBI for refinancing incremental lending by banks to SMEs out of the shortfall of banks on priority sector lending targets. In view of the problems being faced by handloom weavers, inability to repay debts to handloom weaver cooperative societies which have become financially unviable, FM has proposed to provide Rs. 3,000 Crore to NABARD. The initiative is expected to benefit 15,000 cooperative societies and nearly 3 Lakh handloom weavers. These efforts could not bring a lot cheer to the sector as many concerns still remain.

Though additional Rs. 1000 Crore to SIDBI may help address priority sector lending concerns, but it does not stand anywhere near sufficient. This is because borrowing costs still remain high for the sector. Farming did see some relief in terms of lower interest rates on loans. SME is the foremost employment generating sector and owns a significant contribution to Indian GDP. Currently, unavailability of funds plagues the growth of many SMEs and at the same time loans rates faced by them are as high as 16% and above, which affects investment decisions.

- SME Collateral free loan
- SME easy loan against property
- SME open term loan
- SME Credit Card
- SME warehousing Receipts Financing

Small and Medium Enterprises (SMEs) are often confronted with problems that is uncommon for larger companies and multi-national corporations. The problems inherent in these approaches include the following

### **The Lack of Financial Resources has Far-Reaching Effects**

As an SME/SMI, a financial resource is often restricted. This often forces companies to select a solution, which appear to be cheap initially. However, the hidden costs will begin to emerge during implementation. This sometimes causes the project to be abandoned or sometime sent the company into further financial crisis.

### **Lack of Experience of Using Consultants**

A good consultant often saves time and effort, and help to prevent pitfalls during the IT projects. However, most SMEs lack of experience in working with consultants. The lack of knowledge in the field of IT makes them difficult in identifying a good consultant for the projects. They often feel that the consultant cost is too high and they can handle it with their own stuff. If the caller has no staff that are experienced and versed in the IT project, avoiding external help often costs more to the company eventually.

### **Assocham's top 10 Recommendations to Improve SME Sector are**

1. **Redefine MSME:** In an important recommendation, ASSOCHAM demands a revision of the existing MSME definition (under MSMED Act 2006). Assessing various factors including the definitions for MSMEs in other countries and inflation in India, it's

asserted that the levels of capital investment for defining MSMEs are too low and suggests that it should be increased by at least 50 percent.

2. **Availability and Cost of Credit:** ASSOCHAM demands that SME exporters who repay timely should be granted an additional interest subsidy of 2 percent. There should be a reduction of the spread on foreign currency credit to LIBOR + 2 percent. The government also should implement a process whereby the foreign currency limits are increased automatically according to rupee depreciation. The industry body also advises banks to aim for at least 40 percent export credit to MSMEs and targets for banks to increase MSME borrowers by 10 percent annually until 2017.
3. **Assistance in Marketing:** There should be an enhancement of budget and increased scope under MDA/MAI schemes. SMEs should be given greater assistance to focus on brand *building* and provide opportunities to showcase their products at trade fairs. ASSOCHAM also seeks double income tax deduction for marketing expenses and support for E-Commerce.
4. **Increase Productivity:** There should be an effective amendment of labour laws to enable more overtime hours for employees. It should also offer opportunities for more women employment and ensure safety for women to work in night shifts.
5. **Technology Upgradation:** Demands enhancement of technology upgradation schemes with capital subsidy and interest subsidies for fast technological adoption.
6. **Skill Development:** More funds should be allotted to set up research/resource/product development and incubation centers. There should be effective coordination with the technical institutions and CSIR laboratories.
7. **Improve Infrastructure:** ASSOCHAM seeks 24x7 facilities for export consignments at major air cargo/sea port complexes, enhancement of ASIDE scheme and development of MSME clusters near highways/rail corridors.
8. **Fix incentives/Tax related issues:** There should be a new corporate/income tax regime for MSME exporters, incorporate a different ECGC policy for MSMEs to reduce costs. Bring in efforts to remove service tax on conversion of export proceeds remittances and other issues which will reduce transaction costs in exports.
9. **Develop an Institutional Framework:** Creation of a Standing Committee of Secretaries to resolve policy and implementation related issues will initiate greater changes in the sector. There should also be a greater coordination at the ground level between Customs and DGFT offices.
10. **Resolve Sector Specific Issues:** Immediate steps need to be taken to increase fund allocation to resolve issue relating to sectors such as handicrafts and leather industries.

### Government Schemes for MSME

The government has undertaken numerous measures to obtain a solution to the problems faced by MSME and permit them to play an efficient and capable role in the country's economy. These measures may be generally classified as the following:

- **Protection Measures:** These include measures that are designed to protect small scale industries from the competition of existing large firms.

- **Promotional Measures:** These include measures which have been undertaken for the promotion of the growth related to the small scale sector in the country such as programs, guidelines, procurement of goods and services and government grants.
- **Institutional Measures:** These are inclusive of measures which have been undertaken by the government by setting up of several institutions or related agencies for the provision of liberal and multifaceted assistance to the small scale industry sector.

### **Credit Guarantee Scheme (CGTMSE)**

In order to make the Credit Guarantee Scheme more beneficial the following modifications have been made namely:

1. Increasing for optimal reasons eligible loan limit from the amount of Rs. 25 lakh to Rs. 50 lakh.
2. Raising the extent of guarantee cover from 75 % to 80 % for the following categories:
  - Micro enterprises for loans up to the limit of Rs. 5 lakh
  - Medium and Small Scale Enterprises that are operated or owned by women
  - All loans availed in the North Eastern Region of India
3. Reduction of the one-time guarantee fee from 1.5 % to 0.75 % for all loans availed in the North-Eastern Region of India.

### **List of Items and Development of Micro, Small and Medium Enterprises**

The deletion by a phased process of products from the items list that is reserved for manufacture by MSME is followed on a continued basis. One hundred and twenty five items that were removed from the reserved category on March 13, 2007 contributing to the reduction of the number of items reserved for exclusive manufacture in micro as well as small enterprise sector to one hundred and fourteen. Furthermore, seventy nine items were removed from the reserved category on February 5, 2008, fourteen items in the month of October 2008 that was followed by a revision in the month of July 2010.

### **Institutional Support Services**

The small scale industry sector creates almost 40% of the gross industrial value added output and 45% of the total exports from India with reference to direct as well as indirect exports. The sector is the second largest employer of manpower after the agricultural sector. The development of Small Scale Sector has hence been assigned a significant role in India's national plans.

For the purpose of protecting, supporting and promoting small enterprises and also to aid them to become self-supporting, numerous protective as well as promotional measures have been undertaken by the Government.

While the majority of the institutional support services and a few incentives are provided by the Central Government, others are instituted by the state governments in various degrees to encourage investments and support small industries in varying

degrees to attract investments and support small industries with an intention to improve industrial production and to create employment opportunities in the respective States.

### **Promotional Measures by State Government**

The various promotional measures undertaken by State Government for the development of micro, small and medium scale industry sector include:

- Industrial extension services
- Institutional support with reference to credit facilities
- Providing developed sites for the construction of sheds
- Providing training facilities
- Supply of machinery on the basis of hire-purchase terms
- Enabling Assistance for domestic marketing and exports
- Offering special incentives for creating enterprises in backward areas and so on
- Offering technical consultancy and financial assistance for the purpose of technological enhancement

### **Development of MSMEs**

- Arrangements may be ensured by the government to enable the supply of trained and professional managers related to the small scale sector.
- It would be essential to consider policy initiatives to incentivize MSMEs in achieving economies of scale by the process of expanding production.
- To smooth the progress of the MSME sector to acquire resources, it is essential that a separate trading exchange be created exclusively for the MSME sector.
- Providing special incentives to channelize larger flow of venture capital and private equity funds related to the small scale sector.
- There is a vital need to create measures to manage the problem of loss of fiscal benefits in the case of the micro and small scale units that evolve into larger units and so on.

Indian government offers various opportunities through its bodies, ministries and programmes. Few of these are listed below

### **Micro, Small and Medium Enterprises Development Organisation (MSME-DO)**

- It is the apex body to assist the Government in formulation, coordination, implementation and monitorization of policies and programmes for SMEs in the country.
- It provides a complete range of facilities, technology support services, entrepreneurial development support, marketing assistance etc.

### **National Bank for Agriculture and Rural Development (NABARD)**

- NABARD helps promoting rural businesses and small industries, agriculture and cottage industries and works towards integrated rural development.
- It provides various training and development and consultancy services as well as credit facilities to support these businesses.

### **National Small Industries Corporation Limited (NSIC)**

- With an objective to grow small scale industries in India, NSIC was established to promote aid and increase the growth of MSMEs in the country.
- National Small Industries Corporation Limited implemented few schemes to help the small biz in the areas of product marketing, raw material procurement, credit rating, adoption of improved management practices, acquisition of technologies etc.

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

- Small Industries Development Bank of India was set up to provide financial help to small scale industries in India. It's one of the leading government bodies that provide various financial schemes across a range of industries and services.
- Some of the schemes are National Equity Fund Scheme, Direct Assistance Scheme, Indirect Assistance Scheme, Promotional and Development Activities, Single Window Scheme, Technology Development and Modernization Fund Scheme, Mahila Udyam Nidhi (MUN) Scheme and Equipment Finance Scheme.

### **National Commission for Enterprises in the Unorganized Sector (NCEUS)**

- NCEUS was constituted to generate employment and business opportunities in the unorganized sector.
- One of its provisions includes providing access to micro-credit to the unorganized entrepreneurs.

Apart from these the Government has taken several measures e.g. Rural and Women Entrepreneurship Development, Public Sector Banks and more to develop SME Sector.

### **Conclusion**

SMEs play a significant role as one of the growth engines of the Indian economy. In fact, they have been playing a critical role in the socio-economic development of the country while further facilitating the achievement and streamlining the objectives relating to mass employment generation, low investment etc. The small and medium enterprises feature enough capacity to create a sound middle class, encourage the social stability and generation of a secure tax base in a world of too much need and hunger. As small scale businesses are the major contributor to the economy, it makes a good sense for government to ensure emboldening the environment for small scale businesses.

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## **A STUDY ON THE ASSESSMENT OF EMPOWERMENT OF RURAL WOMEN BY MICRO ENTREPRENEURSHIP IN ALLANGANALLUR IN MADURAI DISTRICT**

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### **Introduction**

Women represent the half of the world's population and gender inequality exists in every nation on the planet. To discriminate and prevent half of humanity from reaching its full potential is economic folly. Denying women and girl equality and fairness not only hurt them but also hinders the rest of society. Mothers are the ones who dedicate the decisions on whether or not children are sent to school, what school they go to and how much time they spend working for the family. Until women are given the same opportunities that men are entire societies will be destined to perform below their potentials.

Women owned business are highly increasing in India. The hidden Entrepreneurial potential of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, Knowledge and adaptability in business are the main reasons for women to emerge into business ventures. Entrepreneurship is more suitable profession for women than regular employment in public and private sectors since they have been taking increasing interest in recent years in income generating activities, self employment and entrepreneurship. It is clear that more and more women are coming forward to set up enterprises.

### **Empowerment**

Empowerment is a process, which helps people to gain control of their lives through raising awareness, taking action and working in order to exercise greater control. Empowerment is manifested as a redistribution of power, whether between nation's caste, race, gender and individuals. The goals of women empowerment are to challenge patriarchal ideology (male domination and women's subordination) to transform the structures and institution that reinforce and perpetuate gender discrimination and social inequality and to enable poor women to gain access to and control of both material and informational resources.

### **SHG as an Effective Approach to Women Empowerment**

One has to believe that the progress of any nation is inevitably linked with social and economical plight of women in that particular country. Empowerment by way of participation in SHG can bring enviable changes and enhancement in the living conditions of women in poor and developing nations. The underlying principle of SHG is

to provide to the poorest of the poor and to achieve empowerment. Self Help Group (SHG) is a process by which a large group of women (10 – 20), with common objectives are facilitated to come together voluntarily to participate in the development activities such as saving, credit and income generation thereby ensuring economic independence. SHG phenomenon definitely brings group consciousness among women, sense of belongingness, adequate self confidence. In fact, what she cannot achieve as an individual, can accomplish as a member of group with sufficient understanding about her own rights, roles, privileges and responsibilities as a dignified member of society in par with man. When she becomes a member of SHG, her sense of public participation, enlarged horizon of social activities, high self-esteem, self-respect and fulfillment in life expands and enhances the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic social and cultural spheres of life. In other words, we can say that SHG is an effective instrument to empower women socially and economically which ultimately contributes in the overall development of the country like India wherein still large segment of women population are underprivileged, illiterate, exploited and deprived of basic rights of social and economic spectrum.

### **Statement of the Problem**

The empowerment of women occurs when women are involved in decision making which leads to their better access to resources and therefore improved Socio Economic Status. In recent years gender equality and women's empowerment have been recognized as a crucial to the health of socio – economic development of entire country not just individual families. At the household level disempowerment of women results in their lower access to education, employment and income of limits their participation in decision making, disempowerment of women also affects their health as their health needs are often ignored even by themselves as well as by their families. In this backdrop, the present study was endeavored to find out the quantum of participation of women to decision affecting their own lives as well as that of their families.

### **Review of Literature**

N.K.Shanmugam has written a paper entitled on, "Empowerment of women through SHGs - A micro Study", the main objectives of the study was to reexamine the rationale behind women empowerment, role of government for the uplift of women and empowerment of women managerially, financially and socially by having joined SHG. The survey was conducted on the women self-help groups of Namakkal District. From out of 8156 groups, 300 respondents were chosen at random. This study found that, younger generation shows active participation. 71% were empowered to take financial decisions in the family after joining SHGs. 69% took training in self-help group and started business / profession. More than 75% of the member were able to overcome the financial constraints after joining SHGs. 80% of the respondents agreed that they were empowered and 85% of the members could solve their personal Problems.

Manonmani. I.K1, Prabhakaran.V.P, conducted a study an “Women empowerment through SHG,s in Kovilangulam panchayat, Usilampatti taluk, Madurai district –A case study”. The word 'empowerment' means giving power. According to the International Encyclopedia (1999), power means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. This paper explains the women empowerment in Kovilangulam Panchayat, Chellampatti Block, Usilampatti Taluk, Madurai District as a case study. The objective of the study is to know about the income, expenditure and savings of the members before and after joining SHGs and to know the role of SHGs in providing rural credit. This study is compiled with the help of the primary data covered only one year period (2009- 10). Totally 80 respondents were selected from 15 SHGs (240 total members) simple random sampling method. It was found that, women in the age groups 40-50 actively participated in the SHGs activities. Because these age group members were mostly committed in the various family responsibilities. Many women in the study area join the SHGs for getting loan and promote their personal savings, in addition to get social status. In the study area many women (28.75%) join the SHGs for social status. 27.5% of the respondents join for improving their savings. Women after joining the SHGs earn more money and increase their income level Rs.2000.

### Objectives

- To analyze the socio economic characteristics of the sample respondents.
- To identify the motivational factor of women microenterprises.
- To study the constraints faced by women microenterprises.

### Hypothesis

- There is a significant difference between income earning before and after joining SHGs.

### Methodology

Primary data were collected by directly interviewing the Rural Women Self-help Group Members by using interview schedule. 50 samples were selected by using simple random sampling method. The tables prepared by using Statistical tools like simple percentage, one sample paired test is used for analyzing the Primary data.

### Socio – Economic Characteristics of Sample Respondents

Socio Economic status is the measure of the influence that the social environment has on individual, families communities and schools. The socio-economic characteristics of the respondents were analysed.

**Table 1 Socio Characteristics of Respondents**

S.No	Socio – Economic	No. of respondents
1.	<b>Age</b>	
	Below 25	5
	25-35	28
	Above35	17

2.	<b>Marital Status</b>	
	Un married	13
	Married	31
	Widow	6
3.	<b>Education</b>	
	Primary School	18
	High School	29
	Above high school	3
4.	<b>Family Size</b>	
	Below 4	14
	4-8	27
	Above 8	9

**Source:** Computed Primary data.

The table reveals that majority of the respondents are come under the age group of below 25 – 35 years and majority of the respondents are married. The education level indicated that majority of them are educated up to high school. It indicates the stability of the families.

### **Income level of Sample respondents before and after joining the SHG**

Income earned from the micro enterprises was considered an essential factor for assessing the effectiveness of women owned microenterprises. The following table 2 indicates that the monthly income of the sample respondents before and after joining the self help group.

**Table – 2 Monthly income of the Respondents before and after**

<b>Income (in Rs)</b>	<b>before</b>	<b>After</b>	<b>Total</b>
Below 1000	15	-	15
1001 -2000	3	1	4
2001- 3000	5	13	18
3001-4000	2	4	6
4001- 5000	-	2	2
5001 -6000	-	3	3
Above 6000	-	2	2
<b>Total</b>	<b>25</b>	<b>25</b>	<b>50</b>

**Figures in parentheses shows percentage**

An analysis of the income level of respondents indicated that 18 respondents had monthly income of Rs 2001-3000. By seeing the table it is clear that income of the respondents have increased after joining the SHG.

### **Testing of Hypothesis**

In order to verify the hypothesis one sample paired test has been used. If  $S > K$ , we accept the null hypothesis unless we reject it. The result of the present study revealed since  $S(5) > (0.98)$  we accept the hypothesis. Hence there is a significant difference between before and after in income generating.

### **Types of Micro Enterprises**

The type of business activity started by the members was of their interest coupled with experience and guidance obtained in those fields. Therefore a greater amount of

planning is required to choose the type of activity. The different type of activities organized and run by the respondents are given table 3.

**Table -3 Types of Micro Enterprises**

Micro Enterprises	Number of respondents	Percentage
Pappad making	23	46
Rearing Milch Animals	10	20
Running Grocery Shops	5	10
Tea Stall	7	14
Vegetable vendors	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

**Figures in parentheses shows percentage**

It is noticed that majority of the respondents were involved in trading activities. The main advantages of the trading activities in their opinion were immediate generation of economic benefits and ease

with which they can be handled. It is to be noted that 46% of the respondents running pappad making and followed by 20% engaged in rearing Milch animals.

### Motivational Factor for women micro enterprises

**Table – 4 Motivational Factor for women micro enterprises**

Motivational Factor	Number of respondents	Percentage
Desire to do something	2	4
Financial independence	20	40
Government support	10	20
Ownership preferred	16	32
Unfortunate circumstances	2	4
<b>Total</b>	<b>50</b>	<b>100</b>

**Figures in parentheses shows percentage**

It is seen from the table the majority respondents (40%) motivated in functioning of micro

enterprises by financial independence and followed by 32% of the respondents induced by the preference of Ownership.

### Problems Faced by Sample respondents

The finance, education fear of risk, inadequacy information, feminine property are to look at business problems contextually and to concentrate on the whole issue rather than its part is more needed to the present system thinking of today.

**Table – 5 Problems faced by women micro enterprises**

Problems	Number of respondents	Percentage
Absence of Family Support	13	26
Education	9	18
Financial Difficulties	19	38
Low level Risk taking	2	4
Male Female Competition	4	8
Inadequacy information	3	6
<b>Total</b>	<b>50</b>	<b>100</b>

**Figures in parentheses shows percentage**

In total many of women micro entrepreneurs 38% suffered from the problem of financial difficulties and

26% of the respondents have the problem of absence of family support.

## Conclusion

Independence brought promise of equality of opportunity in all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately the government sponsored development activities have benefited only a small section of women. It is hoped that the suggestions forwarded in the article will help the entrepreneurs in particular and policy planners in general to look into this problem and develop better schemes, developmental programmers and opportunities to the women folk to enter into more Entrepreneurial ventures.

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## THE TRIPLE BOTTOM LINE: A FRAMEWORK FOR SMALL AND MEDIUM SCALE BUSINESS SUSTAINABILITY

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### **Abstract**

Decades ago the businesses were following ethical strategies in order to make profit unlike today's unethical and illegal strategies of businesses for the sustainability. Sustainable business techniques are those which achieve the economic performance of the nation by adapting pure practices which do not harm the environment, economy and society as a whole in order to save and protect the world. Thus the sustainable business should create a considerable value in all the aspects.

Sustainability innovation helps to provide the new methods to deliver goods and services designed to create a healthier, more equitable, and prosperous global community. Medium and Small Scale Businesses are the backbones of one's country. Majority of these businesses perform and achieve more than the Large Scale businesses. In this paper the researcher compiles the importance of incorporating the TBL concept in the Small and Medium Scale Industries. The purpose of this paper is to assess the usefulness of TBL as a tool to evaluate the sustainability of SMEs.

**Keywords:** Triple Bottom Lines, Sustainability, Importance

### **Introduction**

The concept of the triple bottom line originated from the notion of sustainability and sustainable development. **Triple bottom line** which is otherwise termed as **TBL** or **3BL** is an accounting framework which consists of three parts: social, environmental (or ecological) and financial. Most of the organizations have adopted the TBL concept to evaluate their performance in a broader perspective to create greater business value. The phrase, "people, planet, and profit" to describe the triple bottom line and the goal of sustainability. The triple - word phrase, "people, planet, and profit" is also used to describe the triple bottom line and the goal of sustainability. An entity dedicated to the triple bottom line intends to safeguard the interests of the people and not to exploit or endanger at any cost. They earn profit as well they offer opportunities for socially underprivileged people and plough back the considerable portion into the community itself.

The people, social equity, or human capital bottom line refers to just and fair business practices which benefit the labour and the community and region in which an organisation conducts its business.

The planet or the environmental bottom line refers to the practices which are adopted for the better sustainability. A TBL unit initiates to minimise the environmental endangers as much as possible.. It aims to reduces its ecological impacts by, reducing the manufacturing waste and disposing in a safest way. The profit or economic bottom

line deals with the economic value created by the organization after deducting the cost of all inputs.

In this conceptual study the researcher likes to link the triple bottom line concept with Micro and Small Scale Business Sustainability.

### **Sustainability and Innovation**

Sustainability means aiming to sustain the business in the coming generation, couples with an idea of business innovation while delivering essential goods and services that serve social goals of human interest, equity, and environmental justice. In short it is the wave of innovation pushing society toward clean technology, the green economy, and clean commerce.

Sustainability in business is just a design of techniques for value creation through innovation using an interdisciplinary ideas and plans. Sustainability innovation occurs when entrepreneurs and ventures design towards a better future to offer exclusively new products, technologies etc. These businesses should create a spectrum of unique perspectives for a drastic change among the society. Now a days societal prosperity requires a stronger view of economic development. Because the environmental, health and social challenges are more complex unlike the past. For this purpose a sustainability model is much essential.

A growing number of medium and small scale enterprises started realising that improving performance and innovation across the full sustainability factors such as financial, ecological, environmental, and social health and prosperity can improve the revenues, profitability, and their brands. Sustainability strategies and innovations also help these Medium and Small Scale enterprises to position their businesses in markets when compared to their competitors who are not following the TBL Strategy. Those businesses who follow this ethic of TBL will flourish in the coming future.

Sustainability innovation and entrepreneurship seeks to optimize performance across economic, social, and ecological business dimensions. A growing number of medium and small scale business units are applying innovative business practices demonstrating the compatibility of profit, community health, and viable environmental systems.

An educated entrepreneur or business leader interested in sustainability innovation may understand many ethical or legal codes of business. The first is that sustainability innovation ultimately contributes to preservation and restoration of nature's carrying capacity. Carrying capacity refers to the ability of the natural system to sustain demands placed upon it and simultaneously should satisfy the thirst of the economy, environment and society

For instance the distilled water purifying companies should consider the societal and environmental justice and the interests of the consumers rather than prosperity of their business. Because those who drink that water are prone to so many diseases due to scarcity of minerals in their body. Ultimately the entire system of the body will collapse and dysfunction may be caused.

The ventures should combine the classic entrepreneurial process with sustainability concepts. This combination facilitates corporate competencies that generate new

offerings that achieve revenue growth and profitability while enhancing human health, supporting ecological system stability, and contributing to the vitality of local communities.

Focus should be given by the entrepreneurial innovators who concentrate new ways and break with accepted ways of doing business, creating new combinations that result in novel technologies, products, services, and operating practices—that is, substantial innovation.

### **Entrepreneurial Education for Sustainability**

Considering the rate of graduates' unemployment in the society, entrepreneurship education should be introduced in the higher levels of education in order to minimize unemployment and to take up new new ventures of Small and Medium Scale business units in more numbers. Nzelum (2010) defined entrepreneurship education as a functional education and learning by doing. According to Nwabuonu (2005) entrepreneurship is defined as the process of bringing together creative and innovative ideas and combining them with management and organizational skills in order to combine people, money and resources to meet an identified need and thereby create wealth.

It encompasses creation of new products or modifying the existing ones to suit the needs of the consumers. Entrepreneurship can also be defined as the ability to search for change, adapt to change and exploiting it as opportunity to make profit. It is expected that the knowledge acquired from entrepreneurship education should enable the recipient to overcome the problem of unemployment and business challenges. For an entrepreneur to thrive, there are certain characteristics which the entrepreneur must possess.

Entrepreneurship education in business education should be more practical oriented in ICT related matters to enhance the level of mastery by students. The institutions should provide the enabling environment and ICT teaching facilities for business education lecturers to impart the ICT entrepreneurial competencies to business education students. Practical oriented classes should be facilitated for the new entrepreneurs. Proper and well-balanced control measures must be put in place to ensure only value adding activities are carried out in the businesses.

#### Principles for sustainable business

There are two types of principles; operational and strategic. Operational principles are practical – they address the question of what we do and how we do business on a day to day basis. The strategic principles tend to be used as guidance in setting the direction of the business. They will be used to help decide how things are done within the business.

#### Operational Principles

- **Good Employer** – the organisation is committed to employee satisfaction, development and well-being. The organisation, from the most senior management level display and model fairness and equity in all aspects of employee relations and

show no tolerance for discrimination, bullying or harassment. Workplaces are safe and healthy and employees are encouraged to provide input and participate.

- **Environmental responsibility** – the organisation is respectful of environmental limits and operates in an environmentally efficient way in the design and delivery of its products/services. For example material/resource use is minimised, products are designed and manufactured considering the full life cycle of the materials and waste products. Environmental technology is invested in and/or used for example using solar panels to generate electricity.
- **Community contribution and fairness** – the organisation contributes to making the communities in which it operates better places to live and do business (for example, sourcing materials locally) and employees are encouraged to become involved in achieving this goal. Often this will be at a local level, but there may also be opportunities to apply this at the national and/or global level. All employees demonstrate honesty and fairness when dealing with stakeholders. Although not often applicable in small business, where relevant, working in partnership with Maori to empower Maori in decisions that affect them.
- **Influencing others** – the organisation actively encourages others such as suppliers, customers and its employees to improve their own sustainability performance. For instance making it easy for customers to recycle the product or foreign material manufacturers implement internationally accepted labour standards to ensure forced or child labour is not used in the manufacture of materials or parts.

#### Strategic Principles

- **Integration of sustainability into the organisation** – sustainability is a business priority and is reflected in all aspects of the organisation, including business processes (such as decision making, vision, performance management) to ensure that decisions are made with their sustainability effects in mind. There is clear evidence of management commitment to sustainability.
- **Minimising risk and maximising opportunity** – Addressing risks and uncertainty when making choices and taking a precautionary approach when making decisions that may cause serious or irreversible damage. Applying this principle using the strong sustainability lens would go further to propose that lack of full scientific certainty is not a reason for postponing measures to prevent environmental degradation.
- **Transparency and accountability** – the organisation is transparent and accountable about its performance in matters that are important to others.
- **Meeting tomorrow's needs with innovation (Integrated and long term thinking)** – Considering the long term (inter generational) implications of all decisions. Seeking solutions that are mutually reinforcing rather than accepting that a gain in one area will necessarily be achieved at the expense of another. For instance recycling waste material, saves dollars by reducing rubbish levies.

#### Conclusion

A TBL concept would help in identifying specific cultural values, disciplines and strategies that make them survive and prosper in the long run while majority of their counterparts public corporations thrive for a shorter period before experiencing

management, financial and structural difficulties which often lead to their failure. It conceives a reciprocal of mutual social set up in which the well-being of corporate, labour and other stakeholder interests are interdependent. Thus the start-up entrepreneurs may acknowledge the fact that a positive approach towards people and collective benefits is likely to entail long-term business performance. They have the chance to promote and consolidate sustainable business models from the onset of their businesses, based on value co-creation at the individual, group and community levels. Their founding vision may inspire people (e.g., employees, consumers and other categories of stakeholders) and may finally trigger an increasing market share in their firms and business sectors. The importance of values lies in the ability of the individual to engage to them, live them, and believe in them, as a transformer of societies. The famous "triple bottom line" that too this day is essential in order to face what is to come.

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## **AGRIPRENEURSHIP – AN OVERVIEW**

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### **Abstract**

*Agriculture is the backbone for any country's economic development and it creates and for the opportunities of employment and business for the women also as it is a labour intensive industry. Women are the axis of the economy and their values govern the rural market. It is a popular belief that economic development takes place because of rapid industrialization. The basic aim of the paper is to analyze the conditions of women workers in the agricultural sector so as to enhance the potential of the Indian agricultural sector.*

**Keywords:** *Agriculture sector, economic development, women entrepreneurs*

### **Introduction**

Agri-preneurship means developing entrepreneurship in agricultural sector. Agriculture forms the backbone of the Indian economy. India is also called as an 'agriculture – dominated country'. That agriculture plays a pivotal role in the Indian economy is evidenced by the facts that it contributes 22 percent to the total gross domestic products, provides employment to around 65 percent of the total work force and contributes 14.7 percent of total exports of the country. That is precisely the reason why the Tenth Five Year Plan considered agriculture development as central to economic development of the country. In view of this, the Government of India has been giving increasing importance to the development of agriculture in the country. Agri- business development benefits an economy in various forms and ways. For example, it generates immediate large-scale employment, utilizes the idle human and natural resources, promotes capital formation by mobilizing the idle savings of the public, reduces unemployment, promotes balanced regional development, reduces concentration of economic power, promotes equitable distribution of wealth , income and even political power, induces backward and forward linkages for industrial and economic development and promotes country's exports. Therefore there is a need for developing entrepreneurship in in agri – business in India, in general, and in rural areas, in particular. As such increasing opportunities have emerged for developing entrepreneurship in agri-business sector especially agriculture sector. In order to develop agri – preneurship in the country there is a need to develop required infrastructural facilities, skilled manpower, awareness about the benefits of agri-preneurship, proper information network, favorable government attitude towards agri-preneurship, separate industrial policy for agri – business and preparation of techno-economic potential surveys on agri – business in different parts.

## Objectives

- To study the growth and development of agri-preneurship

## Methodology

The Primary data is collected by Survey research through interview schedule and secondary data were collected from standard text books of related topic, leading journals and published documents, records, reports and booklets.

## Review of Literature

**G. Palaniappan, C. S. Ramanigopal, A. Mani (19 March 2012)** in their article analyzed that women have been successful in breaking their barriers within the limits of their homes by entering into varied kinds of professionals and services. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. This study had also been carried out to analyze the motivational factors and other factors that influence women to become entrepreneurs, the major strength and weakness of women entrepreneurs and the environmental opportunities and threats which promote the entrepreneurship, and to offer suggestions to promote women entrepreneurship of selected districts in Tamilnadu. This study concluded that due to lack of training and education they are not able to survive in the market. Finance is also the major problem for women entrepreneurs.

## Information and Communication Technology and Agripreneurship Development

The Indian economy has already witnessed several Revolutionary developments, viz. Green (food grain), White (Milk), Yellow (oilseeds), Blue (fishery) and now Rainbow Revolution in Agriculture, Bio-technological Revolution, Industrial Revolution and Information Technology (IT) Revolution etc. Country has made considerable progress in the communication systems, telephony and digital audio/video processing etc. Good communication system coupled with IT has great potential for providing needed support to the agriculture in achieving sustainable production by way of timely dissemination of agriculture technology needed by the farmers.

In the wake of widely growing Internet connectivity, accessing world-wide information, on any desired aspect and providing the same at the click of a button on the desktop along with e-mail facility already replacing the postal communication all around the world coupled with Internet telephony, web-portals with discussion forums, on-line chatting, video conferencing etc., the world has really bridged the gap in terms of the reach. The use of multimedia technology has made the interactions through computers livelier with images, video clips and stereo sound capability.

ICT provides access to the latest updated information on a particular technology clearly outlining the benefits of adopting that technology through multimedia graphics and videoclips. It is well recognized that that the computer images and video clips of actual application of agriculture technology can have far greater impacts on the minds and psyche of the rural ,uneducated farmers than the textual description of the technology. With the greater emphasis on establishing rural information kiosks and Kisan call centers along with the countrywide investment in creating information

connectivity fiber optics backbone, the rural masses in the remotest corners of the country can have far greater access to the information through ICT. Thus, as an alternative, ICT offers a more efficient, attractive and interactive medium for knowledge dissemination and provides a novel opportunity for taking scientific knowledge/technologies to the end users ushering agripreneurship in the remotest corner of this country leading to the rural development and prosperity.

Agripreneurship development in the yester years was not same as today. The concept is being changed rapidly. As the basis of entrepreneurship is going to be the same, the ways that is being carried out is changing fast. ICTs are playing important role in enhancing the efficiency of entrepreneurial activities on one hand and are creating new opportunities on the other hand. Future entrepreneurial capabilities will depend largely on these dimensions and ICTs are going to play an important role in bringing about efficiency in all these dimensions.

### **ICTs in Creating Agripreneurial Opportunities**

**Pondicherry-Information Village Research Project:** The project was implemented by the M.S Swaminathan Research Foundation, for Pondicherry fisherman. Computers were placed in the village center and connected to the Internet, through which regular weather reports of the Indian astronomical office could be accessed. The weather report is broadcast by loudspeakers and through VHF radios which enabled fisherman to determine low and high tide before sailing off to the sea to fish. This created a lot of agripreneurship development in Pondicherry.

**The Farmers Information and Technology Service (FITS-Techno-Pinoy):** It is a webbased information service initiative in the Philippines. FITS aims to contribute to the empowerment of farmers, processors, entrepreneurs and traders and provides information and technology service that facilitate decision-making by rural communities. This leads to improved production, processing, trading and marketing. The initiative intends to link with organizations, networks and technology services and existing resources into a centre near the farmers and uses the Internet, traditional media, and face-to-face information delivery and access at local level. This has opened a new path for rural development in Philippines.

**The Mango Information Network (MIN):** MIN is a web-based information service that provides information on market outlook, pest management, directory of players in the mango industry, a virtual meeting place and extension research. MIN is relevant to farmers, farmer organizations, co-operatives, frontline agents and entrepreneurs and offers a question and answer service. Simple "fact sheets" are also available in print or accessed on the web. This network has created a lot of entrepreneurship development especially in the field of agriculture and allied fields in Philippines.

**The Faculty of Agriculture of the University of Mauritius has developed a computer based information system-**The Potato Extension and Training Information System (PETIS).PETIS uses the internet and will test whether rural communities can use the web to access information. The system, destined principally for the small-scale potato growers, is equipped with audio file that provides information in English. Illiterate users have an option that reads the summary of the contents in Creole and Bhojpuri, and

icons and pictures that enable most rural users to navigate users to navigate easily the basic levels on the site. The system has been rated very successful and the research team is now exploring touch screens (Lukeeram et al., 2000). This has ushered the path for agripreneurship development especially in the field of potato marketing and cultivation.

### **In Bangladesh, ICTs have transformed the lives of rural people and village women.**

The women have started small-scale enterprises, through small loans from the Grameen Bank to buy mobile cell phones that have been used for telephone services and earn them good income." Much of the voice traffic over the cell phones that have been used to provide telephone services and earn them good income." Much of the voice traffic over the cell phones is commerce directed-access to agricultural market prices, access to agriculture trade information, facilitation of remittances from foreign workers, information on work opportunities, using the phone to reduce substantial travel costs (Don Richardson, personal communication 1999). The Grameen Bank has been so successful in providing jobs to rural poor entrepreneurs and connecting the community to the world, and is being replicated in dozens of other countries. Most buyers are women, and meet weekly to discuss loan payment and other health and development issues. This has created a new group of women entrepreneurs in Bangladesh.

### **Agripreneurship**

\* Fish/prawn farming \*Cultivation of vegetables and fruits \*Livestock management  
\*Mushroom cultivation \*Poultry farming \*Horticulture \*Floriculture \*Dairy \*Landscaping

### **Focal Areas to Empower Women in Agriculture**

**Education:** women have a bright future in the field of agriculture as it is the evergreen profession and involves much scope for future. Science and technology in agriculture is of very noteworthy dimension and will strengthen the women in performing agriculture. Education is going to play a crucial role to utilize science and technology in a proficient manner. Hence there is an indispensable need to focus on women education for their empowerment the basic premise of any agriculture endeavor is education. But majority of women were illiterates. This is one of the important and significant focal point to the policy makers. The serious issue is that, the young women having lot of future in farming were illiterates. These illiterate young women being involved in drudgery in agriculture and other non agricultural occupations like masonry works, road works etc... Education is going to play a crucial role to utilize science and technology in a proficient manner. Hence there is an indispensable need to focus on women education for their empowerment It could be solved to the maximum extent by providing minimum education for all the women farmers. This is the preliminary requirement for any women farmers. So there is a need to start functional literacy programmes intensively for those target groups of women farmers so that they can read, write, calculate and understand the concept of agricultural technology. This concept should be deeply disseminated to each and every women and try to create awareness among the women farming community and stress on the importance of literacy. Several massive awareness camps should be

started in all the villages and start campaigns on the functional literacy programmes involving all the women.

**Land Rights:** in most Indian families, women do not own any property in their own names, and do not get a share of parental property. Due to weak enforcement of laws protecting them; women continue to have little access to land and property. In fact, some of the laws discriminate against women, when it comes to land and property rights. A recent legislation of the Central Government, the Hindu Succession Amendment Act 2005 has also moved towards women's equality in property rights. It makes Hindu women's inheritance rights in agricultural land legally equal to those of men. All daughters including married daughters age Co-larceners in joint family property. Daughters now have the right to claim partition and to become 'Karta'. All daughters, married or unmarried can reside, seek partition of the parental dwelling place.

**Capacity Building:** It is another important area which needs to be focused through organizing training programmes, exposure visits, vocational trainings, group discussions, involving them in national and international trade fairs etc.. Which will help in developing their technical skills and also build self confidence? The society needs to be identified and through their help all such programmes need to be organized. Special training programmes also be designed to the remote and deprived women keeping in view of their locally available and demand oriented enterprises.

**Self Help Groups:** This approach already witnessed excellent results in India. Further it needs to be sustained and improved the performance by way of encouraging the women. Self-help groups have emerged as an important strategy for empowering women and alleviating poverty. SHG's are based on idea of dialogic small groups, which shall function at developing collective consciousness. Linked with micro credit these groups are able to access credit and subsidy to meet crisis needs as well as developmental needs reducing their dependence on money lenders.

**Access to ICT Tools :** Women have a bright future in the field of agriculture as it is the evergreen profession and involves much scope for future. Science and technology in agriculture is of very noteworthy dimension and will strengthen the women in performing agriculture. Information and Communication Technology (ICT) is playing major role in developing the communication and human relation skills among women in turn leads to better performance of their activities. Establishment of community radio in the underdeveloped areas in villages which speaks on the problems. The women speakers can talk to women in the villages on common problems for their upliftment. Utilisation of internet facilities for rural upliftment of rural people basically women who are the backbone to men. There are many successful initiatives for successful use of internet one of such initiative is establishment of GAU satellite Krushi Gosthi by Gujarat Agricultural University to provide satellite linkage to agriculture. The scientists will meet one place and rural women and farmers will be at another place and their queries will be answered there by the constraint of lack of mobility will be solved.

Online browsing can be done by rural women to get the information on various agricultural operations. Various services from Ministry of Agriculture. Some of them are Mandi Prices online –AGMARKNET, Coconut Industry Directory website. Insecticide

Product Directory and Online registration Form for Coir Entrepreneurs and so on. There can be trained personnel to help the rural women to interact with the computer. Establishment of Information kiosk or information booths related to crop specific and problem centered at the villages in local languages which are self directive. Presently they are information Kiosks operating successful in KVK Ahmednagar, KVK Baramati in maharashtra.

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## **CHALLENGES FACED BY WOMEN ENTREPRENEUR IN SMALL AND MEDIUM ENTREPRENEURS IN THE ERA**

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### **Introduction**

Women entrepreneurship is the process in which women initiate a business, gather all resources, undertake risks, face challenges, provides employment to others and manages the business independently. Approximately 1/3<sup>rd</sup> of the entrepreneurs in the world are women entrepreneurs. According to definition given by government of India – “A women entrepreneur is defined as an enterprise owned and controlled by women have a minimum financial interest of 51% of the capital and giving at least 51% employment generated to women”

Women entrepreneurship refer to business or organization started by a women or group of women. There has been a change in role of women due to growth in education, urbanization, industrialization and awareness of democratic values.

### **Definition**

According to Higgins, “Entrepreneurship is meant the function of seeking investment and production opportunity, organizing an enterprise to undertake a new production process, raising capital, hiring labour, arranging the supply of raw materials, finding site, introducing a new technique and commodities, discovering new sources of raw materials and selecting top managers of day-to-day operation of the enterprise”.

This definition recognizes that entrepreneurship involves the fusion of capital, technology and human talent. It is a dynamic and risky process. Entrepreneurship is both an art as well as a science. According to A.H.Cole “ Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandise profit by production or distribution of economic goods and services”.

### **Classification of Women Entrepreneurs**

Women entrepreneurs can be classified into the following categories.

**1. Luck entrepreneurs:** These entrepreneurs start business without any preparation, clear goals or plans. They happen to grab the opportunities which they come across.

**2. Inborn entrepreneurs:** These entrepreneurs take business as a profession on their own by self-planning or motivated through profit factor and also keeping themselves busy.

**3. Shaped entrepreneurs:** These entrepreneurs are encouraged and trained through specialized training programs such as Entrepreneurship Development Programs to set up their own commercial units.

**4. Compelled entrepreneurs:** The women who are compelled by circumstances such as death of father or husband to lead the existing business are called compelled entrepreneurs.

**5. Nominal entrepreneurs:** Those who act as façade for business of their husband or father or a relative.

### **Challenges/ Problem Faced By Women Entrepreneurs in India**

Some of the problems faced by women entrepreneurs are as follows:

#### **Problem of finance**

Finance is regarded as "Life-Blood" for any enterprise, be it big or small. However, Women entrepreneurs suffer from shortage of finance on to counts. Firstly, Women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of fund is limited.

Secondly, the banks also consider women less credit-worthy and discourage women borrowers on the belief that they can at any time leave their business.

#### **Scarcity of Raw Material**

Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. Added to this are the high prices of raw material at the minimum of discount, on the other. The failure of many women co-operatives in 1971 engaged in basket-making is an example how the scarcity of raw material sounds the death-knell of enterprises run by women (Gupta and Srinivasan 2009)

#### **Stiff Competition**

Women entrepreneurs do not have organizational set-up to pump in a lot of money for canvassing and advertisement. Thus, they have to face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.

#### **Limited Mobility**

Unlike men, Women mobility in India is highly due to various reasons. A single woman asking for room is still looked upon with suspicion. Cumbersome exercise involved in starting an enterprise coupled with the officials humiliating towards women compels them to give up idea of starting an enterprise.

#### **Family Ties**

In India, it is mainly a woman's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business. Accordingly, the educational

level and family background of husbands positively influence women's entry into business activities.

### **Lack of Education**

In India, around three-fifths (60%) of women are still illiterate. illiteracy is the root cause of socio-economics problems. Due to the lack of education and that too qualitative education, women are not aware of business technology and market knowledge. Also lack of education causes low achievement motivation among women.

### **Male Dominated Society**

Male chauvinism is still the order of the day in India. The constitution of India speaks of equality between sexes. But, in practices, Women are looked upon as able,i.e. weak in all respects. Women suffer from male reservations about a women's role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This, in turn, serves as a barrier to women entry into business.

### **Low Risk-Bearing Ability**

Women in India lead a protected life. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk-bearing is an essential requisite of a successful entrepreneur.

### **Awake About the Women Entrepreneurs**

- NIP highlighted the need for special entrepreneurship programs for women entrepreneurs.
- Industrial and business opportunities are many.
- Majority of want-to-be women entrepreneurs are from middle class families. Their potential should be identified and trained
- Adequate infrastructure support may be helpful
- Mobile training centers should be opened.
- Post-training follow-up is vital.

### **Conclusion**

Women today are more practical and rational than earlier. India women have never been as expressive and independent today. Indian society is still male-dominated and women are not treated as equal partner, either inside, or outside the four walls of the house. In fact, they are treated as weak and dependent creatures. Still efforts are being made to coordinate with the enterprise activities of women and providing them utmost financial, moral, psychological support by various institutions working within the economy and world-wide. Thus, Women have the potential and the determination to setup, upload and supervise their own enterprises in a very systematic manner. Appropriate support and encouragement from the society in general and family members in particular is required to help these women scale new heights in their

business ventures. Women Entrepreneurs a part of the mainstream of national economy and they can contribute to the economic progress of India.

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## CHALLENGES AND RISKS FACED BY THE WORKING ENTREPRENEURS A SPECIAL REFERENCE FROM MADURAI CITY

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### **Abstract**

*Empowerment of women has emerged as an important issue in recent times. As technology speeds up lives, women are an emerging economic force, which cannot be neglected by the policy makers. The world's modern democratic economy depends on the participation of both sexes. Irene Natividad has observed, "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. In some regions of the world, transformation to market economy, women entrepreneurs is a growing trend. However, in India, the actual participation of women in income generating activities is quite unsatisfactory, only eight per cent of the small scale- manufacturing units are owned and operated by women. The present paper endeavours to study the concept of women entrepreneur and challenges faced by them in Tamil nadu. This paper is mostly based on secondary data and observations Some suggestions have been provided to deal with these problems. Also with the increase in the number of women getting educated, there is considerable awareness among women to be self-employed and gradually the role of women is changing in the society.*

**Keywords:** *Women entrepreneurs, challenges for women entrepreneurs, overcoming challenges*

### **Introduction**

The origin of the basic word –Entrepreneurship is from a French word -1828, borrowing of French Entrepreneur "one who undertakes or manages," from Original French entreprendre "undertake." The Oxford English Dictionary (of 1897) defines the term –Entrepreneur in similar way as the director or a manager of a public musical institution, one who gets-up entertainment arranged , especially musical performance. Initially in the early 16th century, it was applied to those who were engaged in military expeditions. In 17th century it was extended to cover civil engineering activities such as construction and fortification. Today's women are taking more and more professional and technical degrees to cope up with market need and are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. It is perhaps for these reasons that Government Bodies, NGO's, Social Scientists, Researchers 'and International Agencies have started showing interest in the issues related to entrepreneurship among women in India. Women entrepreneur's explore the prospects of starting a new enterprise; undertake

risks, introduction of new innovations, coordinate administration & control of business & providing effective leadership in all aspects of business and have proved their footage in the male dominated business arena.

### **Women Entrepreneurship: A Profile**

Women form a nation's significant human resource. They should be used as instruments for the growth and development of economy of each state. Women, on the other hand, are willing to take up business and lend their contributions to the growth of the nation. Women are now ready to do all business and enter all professions like trade, industry, engineering etc.

The role and participation of women are recognized and steps are being taken for the promotion of women entrepreneurship, women must be shaped up properly with other entrepreneurial traits and skills to face the challenges of world markets, meet the changes in the trends, be competent enough to sustain and strive for excellence in the entrepreneurial field. A complete entrepreneurial development in a nation can be achieved by the participation of women and therefore the growth and development of women entrepreneurs must be accelerated.

### **Concept of Women Entrepreneurship**

Entrepreneurship is an economic activity, which is undertaken by an individual or group of individuals. Entrepreneurship can be defined as the making of a "new combination" of already existing materials and forces; that entrepreneurship throws up as innovations, as opposed to inventions and that no one is entrepreneur forever, only when he or she is actually doing the innovative activity. Thus, a woman entrepreneur is one who starts business, manages it independently, and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise.

### **Evolution of Women Entrepreneurship**

Although women form a very large proportion of the self-employed group, their work is often not recognized as "work". The prevailing 'household strategy' catalysis the devaluation of women's productive activities as secondary and subordinate to men's work. Women's contributions vary according to the structure, needs, customs and attitudes of society. Women entered entrepreneurial activities because of poor economic conditions, high unemployment rates and divorce catapult. In Babylonia, about 200 B.C., women were permitted to engage in business and to work as scribes. By 14th century, in England and France, women were frequently accepted on a par with men as carpenters, saddlers, barbers, tailors and spurries. Dressmaking and lace making guilds were competed more with men for some jobs, but were concentrated primarily in textile mills and clothing factories. In 1950, women made up nearly 25 per cent of both industrial and service sectors of the developing countries. In 1980, it

increased to 28 per cent and 31 per cent respectively. Meanwhile, in 1950, 53 per cent of females and 65 per cent of males of industrialized countries were in non-agricultural sectors. Because of the economic crisis of the 1980s and the commercialization and modernization of the economy, women lost employment in agriculture and industries. This pushed women in urban areas to find out a suitable solution for generating income, which resulted in the emergence of self-employment, largely in micro-businesses in the informal sector.

### **Importance of Women Entrepreneurship**

Women perform an important role in building the real backbone of a nation's economy. There is considerable entrepreneurial talent among women. Many women's domestic skills such as people and time management and household budgeting are directly transferable in the business context. Women have the ability to balance different tasks and priorities and tend to find satisfaction and success in and from building relationships with customers and employees, in having control of their own destiny, and in doing something that they consider worthwhile. They have the potential and the will to establish and manage enterprises of their own.

These qualities and strengths of women are to be tapped for productive channels. However, simultaneous creation and development of small business among women is a difficult task.

### **Major Challenges Faced By Women Entrepreneurs**

- Balance between family and career- Women in India are very emotionally attached to their home and families. They are supposed to attend to all the domestic work, to look after the children and other family members. They are overburdened with family responsibilities like taking care of husband, children and in laws which takes away a lot of their time and energy. In such situation, it is very difficult to concentrate and run an organization successfully and efficiently.
- Socio-cultural barriers- The traditions and customs prevailing in Indian societies sometimes stand as an obstacle before women which stop them from growing and prospering. Castes and religions dominate our society and hinder women entrepreneurs too. In rural areas, they face even greater social barriers. They are always seen with an eye of suspicion.
- Male dominated society- Even though our constitution speaks of equality between genders, male superiority is still the order of the day. Women are not treated equal to men. Their entry into business requires the approval of the head of the family who is mostly a male member. Entrepreneurship has traditionally been seen as a male task. All these hamper the growth of women entrepreneurs.
- Illiteracy or low level of Education- Women in India are lagging far behind in the field of education. Even after more than 60 years of independence many women are still illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to household responsibilities and partly due to poverty. Due to lack of proper education, most women entrepreneurs remain in dark about the development of

new technology, new methods of production, marketing, networking and other governmental support which will encourage them to rise in the field of management.

- Dearth of financial assistance- Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutes do not come forward to provide financial
- assistance to women borrowers on the ground of their less credit worthiness. They also face financial problem due to blockage of funds in raw materials, inventory, work-in-progress, finished goods and non-receipt of payment from customers in time.
- Lack of Technical knowhow- Management has become a specialised job which only efficient managers perform. Women entrepreneurs sometimes are not efficient in managerial functions like planning, organising, controlling, directing, motivating, recruiting, coordinating, and leading an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.
- Marketing Skills- Since most women cannot run around for marketing, distribution and money collection, they have to depend on middle men for the above activities. Middle men tend to exploit them in the appearance of helping. They work in order to add their own profit margin which result in less sales and lesser profit for women entrepreneurs.
- Entrepreneurial Skill- Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have limited entrepreneurial abilities. Even after attending various training programmes on entrepreneurship women entrepreneurs fail to overcome the risks and troubles that may come up in an organisational working.
- Lack of Self-Confidence- Women entrepreneurs because of their inherent nature, lack self-confidence which is essentially a motivating factor in running an enterprise successfully. They have to work hard to strike a balance between managing a family and managing an enterprise. Sometimes they have to sacrifice their entrepreneurial urge in order to strike a balance between the two which results in loss of a prospective entrepreneur.
- Mobility Constraints-Women mobility in India is highly limited and has become a problem due to traditional values and limited driving skills. Moving alone and asking for a room to stay out at night for business purposes is still looked upon with suspicious eyes. Sometimes, inexperienced women feel uncomfortable in dealing with men who show extra interest in them other than work related aspects.

### **Objectives of Study**

The present study has been carried out with the following objectives in:

- To study the socio-economic background of the women entrepreneurs in Madurai District.
- To examine challenges faced by rural women entrepreneurs.

- To analyze the major strength and weakness of women entrepreneurs and the environmental opportunities and threats which promote the entrepreneurship.

## Research Methodology

### Sampling Design

Women entrepreneurs who are the main source of primary data are collected from the women entrepreneurs through a well structured questionnaire. As the area of study is limited in Madurai district of Tamil Nadu and as the total population of women, population is numerable; the researcher has proposed the sampling techniques for the selection of respondents. To identify the right respondents, which are also very essential for the collection of primary data, the following process has been adopted scientifically. Finally 200 respondents were selected and included the study from various taluks of erode districts who have engaged to start an enterprises and running successfully.

### Data Analysis and Interpretation

Personal interview is the major tool of data collection. Interview technique is to be made at women entrepreneurs. The secondary data are also proposed to collect from various departments.

All these data are to be arranged in various form of tables and proposed to critically analyze with the help of a number of statistical tools. Percentage Analysis, Average, and Chi-Square Test are the various statistical tools applied.

**Table-1: Age Group of the Respondents**

Sources: Primary Data

S.No	Age of Respondents	Number of Respondents	Percentage
1	20 - 30 Years	62	31
2	31-40 Years	84	42
3	41-50 Years	33	17
4	Above 50 Years	21	10
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:**

From the above table it is inferred that, 42% of the respondent's fall under the age

group 31-40 years. 31% respondents fall under 21 - 30, 17% of the respondents fall under 41-50 and 10% of the respondents fall under above 50 years and it is concluded that majority of the respondents are in 31-40 years of age group.

**Table-2: Educational Qualifications**

Sources: Primary Data

S.No	Education	Number of Respondents	Percentage
1	Primary	20	10
2	Secondary	74	37
3	Degree / Diploma	71	35
4	Post Graduates	35	18
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:** The above table shows that 37% of the respondents are secondary level of education, 35% of the respondents

are degree / diploma level, 18 per cent of the respondents are post Graduates and 10% of the respondents are in primary educational level. It is concluded that majority of the respondents are qualified with secondary, degree / diploma level of education.

**Table-3: Marital Status**

**Sources:** Primary Data

S.No	Marital Status	Number of Respondents	Percentage
1	Unmarried	100	50
2	Married	58	29
3	Divorce	20	10
4	Widow	22	11
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:** The above table reveals that 50% of the respondents are married, 29% of the respondents are unmarried, 11% of the

respondents are widow and 10% of the respondents are divorce. It is concluded that majority of the respondents are married.

**Table-4: Types of Business**

**Sources:** Primary Data

S.No	Type of Business	Number of Respondents	Percentage
1	Sole proprietorship	142	71
2	Partnership	38	19
3	Joint Hindu family	20	10
4	Joint Stock Company	-	-
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:** The study reveals that 71% of the respondents are doing Sole Proprietorship business, 19% of

the respondents are in partnership business and 10% of the respondents are engaged in Joint Hindu family business. The above table concluded that majority of women entrepreneurs are engaged in sole proprietorship.

**Table-5: Nature of Business**

**Sources:** Primary Data

S.No	Nature of Business	Number of Respondents	Percentage
1	Servicing	104	52
2	Trading	61	30
3	Manufacture	35	18
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:** The above table shows that 52% of the respondents are in Service sector, 30%

of the respondents are in trading, 18% of the respondents are in manufacturing. It is concluded that majority of the respondents are in service sector.

**Table-6: Size of Business**

Sources: Primary Data

S.No	Size of Business	Number of Respondents	Percentage
1	Below Rs.50,000	70	35
2	Rs.50,000-1,00,000	62	31
3	Rs.1,00,000-2,00,000	37	18
4	Rs.2,00,000-5,00,000	15	8
5	Above Rs.5,00,000	16	8
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:**

The above table reveals that 35% of the respondents are below 50,000, 31% of

the respondents are 50,000- 1,00,000, 18% of the respondents are 1,00,000-2,00,000 and 8% of the respondents are 2,00,000- 5,00,000 and 8% of the respondents are above 5,00,000. The above table concluded that majority of the respondents incomes are below 50,000.

**Table-7: Source of Finance**

Sources: Primary Data

S.No	Source of Finance	Number of Respondents	Percentage
1	Government	24	12
2	Bank	24	12
3	Personal	71	35
4	Financial Institution	56	28
5	Friend & Relatives	25	13
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:** The

study further reveals that 35% of the respondents finance from personal, 28% of the respondents

finance from financial institution and the balance percentage from bank, government and friend/Relatives. It is concluded that most of the respondent's source of finance is through personal source.

**Table-8: Financial Assistance Availed**

Sources: Primary Data

S.No	Financial Assistance	Availed Number of Respondents	Percentage
1	Frequently Availed	72	36
2	Rarely Availed	102	51
3	Never Availed	26	13
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:** The above

table shows that 51% of the respondents are rarely availed their finance, 36% of the respondents are frequently availed and 13%

of the respondents are never availed. The above table concluded that majority of the women says that availability of finance is rare.

**Table-9: Entrepreneurial Profit**

Sources: Primary Data

S.No	Entrepreneurial Profit	Number of Respondents	Percentage
1	High	38	19
2	Medium	142	71
3	Loss	20	10
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:** From

the above table it is inferred that, 71% of the respondents are medium profit, 19%

of the respondents are High profit, and 10% of the respondents are loss. It is concluded that most of the respondent's entrepreneurial profit is medium.

**Table-10: Profit Re-Investment Factor**

Sources: Primary Data

S.No	Profit Reinvestment	Number of Respondents	Percentage
1	Good	31	15
2	Medium	150	75
3	Poor	19	10
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:**

The study reveals that 75% of the respondents are medium profit

reinvestment, 15% of the respondents are good and 10% of the respondents are poor. It is concluded that most of the respondents profit reinvestment factor is medium.

**Suggestions to Overcome the Challenges**

1. Government should provide separate financial aid to women entrepreneurs so that they do not face any difficulty in setting up their organization.
2. Special infrastructural facilities should be provided to help women in establishing their enterprise easily and quickly.
3. Training Programmes specially directed at women entrepreneurs should be conducted to enhance their entrepreneurial skills and abilities which help them in day to day functioning of business.
4. Top ranking women entrepreneurs must be felicitated so that more women are encouraged and motivated to pursue such careers.
5. Provision for better educational facilities should be provided starting from school and further for higher education and also several vocational studies.
6. Women Entrepreneurs' Guidance cell should be opened in all cities to handle problems related to day to day functioning like production, marketing, and distribution problems.
7. Several legal policies and regulations for the setup of an enterprise by women must be simplified to help women entrepreneurs in establishing their business and getting speedy approval regarding several legal formalities.
8. Mostly importantly the support of family members is required so that women can move out of their homes with confidence. They can give better output when it is known to them that their decisions are supported by their family.
9. Organization of fairs, exhibitions and workshops for women entrepreneurs which will help them to connect with each other and share ideas and problems. It will also provide guidance to new women entrepreneurs who can take help and suggestions from their already established counterparts.
10. Making provision for marketing and sales assistance so that women entrepreneurs are not cheated by middle men.

## Conclusion

From the various research papers studied several challenges faced by women entrepreneurs have come into focus. These include balance between family and career, socio-cultural barriers, male dominated society, illiteracy or low level of education, dearth of financial assistance, lack of technical knowhow, marketing and entrepreneurial skills, lack of self-confidence and mobility constraints. Despite the increased gender parity in the workforce today, few women attain top management positions in large corporations. These women entrepreneurs have an average age of forty to sixty years because they have had previous careers in other areas. Their primary goal is not monetary gains but rather personal satisfaction and achievement. Time has come for women to come out of the burden of housework and give way to their creativity and entrepreneurship. Social and political developments in India have also been responsible for determining the role of women in a changing society. The government schemes, incentives and subsidies have stimulated and provided support measures to women entrepreneurs. With the increase in the number of women getting education, there is considerable awareness among women to be self-employed thus leading to change in the role of women in the society.

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## **PROBLEMS & PROSPECTS OF WOMEN ENTREPRENEURS IN INDIA**

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### **Abstract**

*Entrepreneurship plays an imperative role in the growth of any society. Development of entrepreneurship culture and qualitative business development services are the major requirements for industrial growth. Entrepreneurship emerges from an individual's creative spirit into long-term business ownership, employment creation, capital formation and economic security. Entrepreneurial skills are essential for industrialization and for alleviation of mass unemployment and poverty. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. In order to harness their potential and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction.*

### **Introduction**

Entrepreneurs are innovators, willing to take risks and generate new ideas to create unique and potentially profitable solutions to modern-day problems. This innovation may result in new organizations or revitalize mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is starting a new business. In recent years, the term has been extended to include social and political forms of entrepreneurial activity, which are often referred to as social entrepreneurship. Entrepreneurship has been described as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit.

### **Characteristics of Women Entrepreneurs**

#### *Management and Control:*

A woman or a group of women manages the whole business of enterprise. She prepares various plans and executes them under her own supervision and control. There may be some persons to help her but ultimate control lies with the woman.

#### *Employment to Women:*

A woman entrepreneur must provide at least 51 percent of the employment generated in her enterprise to women.

### *Risk-taking:*

Risk means uncertainty. It is the condition of not knowing the outcome of an activity. A woman entrepreneur takes calculated risk.

She faces uncertainty confidently and assumes risk. She has to tie up capital and wait for good returns. A woman entrepreneur likes to take realistic risks because she wants to be a successful entrepreneur.

### **Good Organizer**

The most critical skill required for industrial development is the ability of building a sound organization. A woman entrepreneur assembles, co-ordinates, organizes and manages the other factors namely land, labor and capital. She obtains factors of production from the society and supplies them finished product.

### *Self confidence*

It is essential to be a self confident for a woman entrepreneur. She should have faith in herself and in her abilities. She should have the confidence to implement the change and overcome any resistance to change. A woman entrepreneur should have courage to own the mistakes and correct them.

### *Decision-maker*

The main function of a woman entrepreneur is to make decision. She takes various decisions regarding the activities of her enterprise. She decides about the type of business to be done and the way of doing it. A woman entrepreneur must be clear and creative in decision making process.

### *Visionary*

A woman entrepreneur is one who incubates new ideas, starts her enterprise with these ideas and provides added value to society based on their independent initiative.

### *Hard worker*

A distinguishing feature of a woman entrepreneur is the willingness to work hard. She has to follow the principle, "Hard-work is the key to success".

### *Achievement oriented*

A woman entrepreneur is an achievement oriented lady, not money hungry. She works for challenge, accomplishment and service to others. Achievement orientation is a derive to overcome challenges, to advance and to grow.

### *Optimistic*

A woman entrepreneur must be optimistic. She should approach her venture with a hope of success and attitude for success rather than with a fear of failure. The positive thinking of woman entrepreneur can turn the situation favorable to her.

### *Technically competent*

The success of an enterprise largely depends upon the ability of woman entrepreneur to cope with latest technology. Technical competency refers to the ability to devise and use the better ways of producing and marketing goods and services.

### *Mentally sound*

A woman entrepreneur is energetic, single-minded, having a mission and a clear vision. She should be a lady of creative thinking and analytical thinking. She must be intelligent, adaptable and problem solver.

### *Leadership*

Leadership quality is one of the most important characteristic of a woman entrepreneur. It is the process of influencing and supporting others to work enthusiastically towards achieving objectives.

### *Women Entrepreneurs in India*

In India comprise 40% of the population yet they have secondary position in the society. Their role is confined with in the four walls of the household activities. In the male dominated society discrimination against the fair sex is still being practiced in different forms. At this juncture can we expect that a women can act as entrepreneurs. In this modern age things has been changed a lot, change in the field of information and technology brings a significant change of the status of women in the society.

Problems Faced by Women Entrepreneurs in India –

## **Some of the Problems Faced by Women Entrepreneurs are as follows**

### **Problem of Finance**

Finance is regarded as “life-blood” for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts.

Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited.

### **Scarcity of Raw Material**

Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. Added to this are the high prices of raw material, on the one hand, and getting raw material at the minimum discount.

### **Stiff Competition**

Stiff Competition Women entrepreneurs do not have organizational set-up to pump in a lot of money women entrepreneurs do not have organizational set-up to pump in a lot of money for canvassing and advertisement. Thus, they have to face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.

### **Limited Mobility**

Unlike men, women mobility in India is highly limited due to various reasons. A single woman asking for room is still looked upon suspicion. Cumbersome exercise involved in starting an enterprise coupled with the officials humiliating attitude towards women compels them to give up idea of starting an enterprise.

### **Family Ties**

In India, it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she has to

strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business.

Support and approval of husbands seem necessary condition for women's entry into business. Accordingly, the educational level and family background of husbands positively influence women's entry into business activities.

### **Lack of Education**

In India, around three-fifths (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic problems. Due to the lack of education and that too qualitative education, women are not aware of business, technology and market knowledge. Also, lack of education causes low achievement motivation among women. Thus, lack of education creates one type or other problems for women in the setting up and running of business enterprises.

### **Male-Dominated Society**

Male chauvinism is still the order of the day in India. The Constitution of India speaks of equality between sexes. But, in practice, women are looked upon as abla, i.e. weak in all respects. Women suffer from male reservations about a women's role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This, in turn, serves as a barrier to women entry into business.

### **Low Risk-Bearing Ability**

Women in India lead a protected life. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk-bearing is an essential requisite of a successful entrepreneur.

### **Organizations that are helping Women Entrepreneurs in India**

The growth and development of women entrepreneurs have accelerated because entrepreneurial development is not possible without active participation of women. So a suitable environment has been created for growth of women entrepreneurs. Because of the importance of women entrepreneurs, a number of institutions have emerged for growth of women entrepreneurs.

The followings are some of associations or institutions which have played pivotal role for growth and development of women entrepreneurs:

#### **SIDBI**

SIDBI stands for Small Industries Development Bank of India. It is a national level institution which extends facilities for growth of small scale industries. This organization has introduced two special schemes for small scale industries by women. These are:

- **Mahila Udyam Nidhi**
- **Mahila Vikash Nidhi**

These two special schemes for women entrepreneurs provide equity and developmental assistance to women entrepreneurs.

These organizations provide financial assistance to women to start entrepreneurial work in the field of spinning, weaving, knitting, embroidery and block printing. Besides the above schemes, SIDBI has launched the following schemes to provide assistance to women entrepreneurs:

- **Micro Credit Scheme**
- **Women Entrepreneurial Development Programme**
- **Marketing Development Fund for Women.**

## **SIDO**

SIDO STANDS FOR Small Industries Development Organization. The primary objective of this organization is to conduct various programmes including Entrepreneurship Development programme for women.

This organization has introduced various development programmes in the areas of TV repairing, leather goods, screen printing and preparation of circuit boards.

### *CWEI*

Stands for consortium of women entrepreneurs of India. It is a voluntary organization consisting of NGOs, SHGs various voluntary organizations and individual business enterprises.

It was formed in the year 2001 with the basis objective of providing technological up gradation facilities to women entrepreneurs. Besides extending technological up gradation facilities, it facilitates in the sphere of marketing and export support.

### *SEWA*

SEWA stands for Self Employed Women Association. It is a trade union of women which was registered under Trade Union Act, in 1972. The primary objective of this organization is to empower women entrepreneurs in rural sector.

Most of members of this organization are originated from unorganized sector. At present SEWA has shifted its operations from rural areas or level to global level and receive substantial grant from international organizations like Ford Foundation and UNICEF.

### *SHGs*

SHGs denotes Self Help Groups. It is regarded as an association consisting of small group of self employed women entrepreneurs. The primary objective of SHG is to take care as welfare of its associated members. It provides financial assistance as welfare of its members through financial institutions and non-government organizations.

### *NABARD*

NABARD stands for National Bank for Agriculture and Rural Development. It is an autonomous organization. The primary objective of this autonomous organization is to provide liberal credit facilities to women entrepreneurs. The followings are some of essential characteristics of NABARD on liberal credit to women entrepreneurs

Women entrepreneurs may be either from rural or urban areas.

- It launched the project in 1992 to provide finance to SHG.
- It provides facilities on resources and training in NGO Formation.
- It arranges training to bank official on formation of SHG.
- It provides refinance to bank against lending to SHG.

### **Step Taken By Government to Develop Women Entrepreneurs in India**

The growth and development of women entrepreneurs required to be accelerated because entrepreneurial development is not possible without the participation of women.

Therefore, a congenial environment is needed to be created to enable women to participate actively in the entrepreneurial activities. There is a need of Government, non-Government, promotional and regulatory agencies to come forward and play the supportive role in promoting the women entrepreneur in India.

The Government of India has also formulated various training and development cum employment generations programs for the women to start their ventures. These programmes are as follows:

#### **Steps taken in Seventh Five-Year Plan**

In the seventh five-year plan, a special chapter on the "Integration of women in development" was introduced by Government with following suggestion:

**(i) Specific target group:**

It was suggested to treat women as a specific target groups in all major development programs of the country.

**(ii) Arranging training facilities:**

It is also suggested in the chapter to devise and diversify vocational training facilities for women to suit their changing needs and skills.

**(iii) Developing new equipments:**

Efforts should be made to increase their efficiency and productivity through appropriate technologies, equipments and practices.

**(iv) Marketing assistance:**

It was suggested to provide the required assistance for marketing the products produced by women entrepreneurs.

**(v) Decision-making process:**

It was also suggested to involve the women in decision-making process.

#### **Steps taken by Government during Eight Five-Year Plan**

The Government of India devised special programs to increase employment and income-generating activities for women in rural areas. The following plans are launched during the Eight-Five Year Plan:

1. Prime Minister Rojgar Yojana and EDPs were introduced to develop entrepreneurial qualities among rural women.
2. 'Women in agriculture' scheme was introduced to train women farmers having small and marginal holdings in agriculture and allied activities.
3. To generate more employment opportunities for women KVIC took special measures in remote areas.
4. Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.

5. Several other schemes like integrated Rural Development Programs (IRDP), Training of Rural youth for Self employment (TRYSEM) etc. were started to alleviate poverty. 30-40% reservation is provided to women under these schemes.

### **Steps Taken by Government during Ninth Five-Year Plan**

Economic development and growth is not achieved fully without the development of women entrepreneurs. The Government of India has introduced the following schemes for promoting women entrepreneurship because the future of small scale industries depends upon the women-entrepreneurs:

- a. Trade Related Entrepreneurship Assistance and Development (TREAD) scheme was launched by Ministry of Small Industries to develop women entrepreneurs in rural, semi-urban and urban areas by developing entrepreneurial qualities.
- b. Women Component Plan, a special strategy adopted by Government to provide assistance to women entrepreneurs.
- c. Swarna Jayanti Gram Swarozgar Yojana and Swarna Jayanti Sakshari Rozgar Yojana were introduced by government to provide reservations for women and encouraging them to start their ventures.
- d. New schemes named Women Development Corporations were introduced by government to help women entrepreneurs in arranging credit and marketing facilities.
- e. State Industrial and Development Bank of India (SIDBI) has introduced following schemes to assist the women entrepreneurs. These schemes are:
  1. Mahila Udyam Nidhi
  2. Micro Credit Scheme for Women
  3. Mahila Vikas Nidhi
  4. Women Entrepreneurial Development Programmes
  5. Marketing Development Fund for Women

Consortium of Women entrepreneurs of India provides a platform to assist the women entrepreneurs to develop new, creative and innovative techniques of production, finance and marketing.

There are different bodies such as NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas which collectively help the women entrepreneurs in their activities.

### **Training programmes**

The following training schemes specially for the self employment of women are introduced by government:

1. Support for Training and Employment Programme of Women (STEP).
2. Development of Women and Children in Rural Areas (DWCRA).
3. Small Industry Service Institutes (SISIs)
4. State Financial Corporations
5. National Small Industries Corporations
6. District Industrial Centres (DICs)

### **Mahila Vikas Nidhi**

SIDBI has developed this fund for the entrepreneurial development of women especially in rural areas. Under Mahila Vikas Nidhi grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

### **Rashtriya Mahila Kosh**

In 1993, Rashtriya Mahila Kosh was set up to grant micro credit to pore women at reasonable rates of interest with very low transaction costs and simple procedures.

Suggestion for the development of Women Entrepreneurs

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs.

- Consider women as specific target group for all developmental programmers
- Better educational facilities and schemes should be extended to women folk from government part.
- Adequate training programme on management skills to be provided to women community.
- Encourage women's participation in decision-making
- Making provision of marketing and sales assistance from government part
- Continuous monitoring and improvement of training programmers.
- More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures

### **Conclusion**

Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the change in trends, challenges global markets.

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## **CROWD FUNDING: AN INNOVATIVE SOURCE OF FINANCE FOR ENTREPRENEURS**

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### **Abstract**

*Traditional debt finance generates moderate returns for lenders and is therefore appropriate for low-to-moderate risk profiles. It typically sustains the ordinary activity and short-term needs of SMEs, generally characterised by stable cash flow, modest growth, tested business models, and access to collateral or guarantees. Financing instruments alternative to straight debt alter this traditional risk-sharing mechanism. Crowdfunding is not only a mean to raise funds, but can also represent an important mechanism to share information with a large public, increase awareness about projects and products, seek feedback to improve them, and get recognition which may help in future commercialisation. The present paper provide an insight over the about crowd funding: An innovative source of finance for entrepreneurs.*

**Keywords:** *Crowd Funding, Entrepreneurs, Bank lending, Risk sharing and Investment*

### **Introduction**

Bank lending is the most common source of external finance for many SMEs and entrepreneurs, which are often heavily reliant on straight debt to fulfill their start-up, cash flow and investment needs. While it is commonly used by small businesses, however, traditional bank finance poses challenges to SMEs and may be ill-suited at specific stages in the firm life cycle. The WPSMEE has long recognised the limitations of traditional debt financing for responding to the different financing needs that SMEs encounter along their life cycle, and for sustaining the most dynamic enterprises.

In particular, debt financing appears to be ill-suited for newer, innovative and fast growing companies, with a higher risk-return profile. The “financing gap” that affects these businesses is often a “growth capital gap”. Substantial amounts of funds might be needed to finance projects with high growth prospects, while the associated profit patterns are often difficult to forecast. The financing constraints can be especially severe in the case of start -ups or small businesses that rely on intangibles in their business model, as these are highly firm -specific and difficult to use as collateral in traditional debt relations (OECD, 2010a). Yet, for most enterprises, there are few alternatives to traditional debt (OECD, 2006).

This represents an important challenge for policy makers pursuing sustainable recovery and long-term growth, since these companies are often at the forefront in job creation, the application of new technologies and the development of new business models.

In the aftermath of the 2008-09 global financial crisis, the bank credit constraints experienced by SMEs in many countries have further highlighted the vulnerability of the

SME sector to changing conditions in bank lending. The long-standing need to strengthen capital structures and to decrease dependence on borrowing has now become more urgent, as many firms were obliged to increase leverage in order to survive the crisis, and, at the same time, banks in many OECD countries have been contracting their balance sheets in order to meet more rigorous prudential rules. It is therefore necessary to broaden the range of financing instruments available to SMEs and entrepreneurs, in order to enable them to continue to play their role in growth, innovation and employment.

Financial stability, financial inclusion and financial deepening should be considered as mutually reinforcing objectives in the quest for sustainable recovery and long-term growth. While bank financing will continue to be crucial for the SME sector, more diversified options for SME financing could support long-term investments and reduce the vulnerability of the sector to changes in the credit market.

### Alternative Financing Instruments

Traditional debt finance generates moderate returns for lenders and is therefore appropriate for low -to-moderate risk profiles. It typically sustains the ordinary activity and short-term needs of SMEs, generally characterised by stable cash flow, modest growth, tested business models, and access to collateral or guarantees. Financing instruments alternative to straight debt alter this traditional risk-sharing mechanism. Table 1 provides a list of external financing techniques alternative to straight debt, categorised into four groups, characterised by differing degrees of risk and return, whose main features (modalities/operational characteristics, enabling factors, trends, support policies).

**Table 1. Alternative External Financing Techniques for SMES and Entrepreneurs**

Low Risk/ Return	Low Risk/ Return	Medium Risk/ Return	High Risk/ Return
Asset-Based Finance	Alternative Debt	"Hybrid" Instruments	Equity Instruments
Asset based lending	Corporate Bonds	Subordinated Loans/Bonds	Private Equity
Factoring	Securitised Debt	Silent Participations	Venture Capital
Purchase Order Finance	Covered Bonds	Participating Loans	Business Angels
Warehouse Receipts	Private Placements	Profit Participation	Specialised Platforms for Public Listing of SMEs
Leasing	Crowdfunding (debt)	Convertible Bonds	Crowd Funding (Equity)
		Bonds with Warrants	
		Mezzanine Finance	

## **Crowdfunding**

Crowdfunding is a technique to raise external finance from a large audience, rather than a small group of specialised investors (e.g. banks, business angels, venture capitalists), where each individual provides a small amount of the funding requested. The concept of "crowdfunding" is related to the one of "crowdsourcing", which refers to the outsourcing to the "crowd" of specific tasks, such as the development, evaluation or sale of a product, by way of an open call over the internet (Howe, 2008). Through online platforms, the task, traditionally performed by contractors or employees, can be undertaken by individuals for free or in exchange for some specified return, whose value is however generally lower than the one of the contribution made to the firm. Crowdsourcers may in fact have intrinsic motivations, such as the pleasure of undertaking the task or participating to a community, as well as extrinsic motivations, related to monetary rewards, career benefits, learning or dissatisfaction with the current products (Kleeman et al. 2008).

## **Modalities**

In the case of crowdfunding, individuals provide the firm with financial help. Crowdfunding generally takes place through social networks, internet especially, with the entrepreneur detailing the business activities and objectives, in some cases in the form of a business plan, and requesting funding under specific terms and conditions. This represents the main innovation of crowdfunding with respect to other forms of finance, as the entrepreneur does not need an intermediary, such as a banking institution, to seek funding and can source directly the savings of a large audience.

Crowdfunding is not only a mean to raise funds, but can also represent an important mechanism to share information with a large public, increase awareness about projects and products, seek feedback to improve them, and get recognition which may help in future commercialisation (Metzler, 2011).

The type of contributions by the investor – and related rewards - may vary, depending on the internet platforms, the type of firms and the projects. Indeed, as new platforms are created across countries, in a context of low regulation, new features and business models are continuously emerging. The types of funding may range from donations to equity, thus giving rise to processes with different degrees of complexity and different contractual relationships between the firm and the individual investor. In broad terms, crowdfunding can take the form of (Hemer, 2011; Mitra, 2012):

1. Donations, whereby contributors donate funds, mostly for charities and non-profit organisations, although for-profit organisations can also receive donations through this channel;
2. Reward or Sponsorship, whereby contributors receive a pre-defined reward, such as a small token of appreciation or some type of service, like a public acknowledgment for their contribution and marketing;
3. Pre-selling or pre-ordering, whereby investors provide funding to help produce some product or service and in return receive an early version of the product, or the product at a reduced price;

4. Lending, whereby investors receive the interest and the principal at the end of the lending period. There exist also crowd-lending forms based on the revenue-sharing principle, that is, where creditors are not paid interests at the end of the defined lending period, but rather an amount which includes an agreed share of the earnings, in case of good performance of the debtor.
5. Equity, whereby a privately-held company offers securities to the general public, through the medium of an online platform. Investors receive a share in the business and may acquire voting rights.

Donations, rewards and pre-selling (i.e. the so-called “non-financial” crowdfunding) represent the most widespread forms of crowdfunding and constitute an important share of the funding raised by private companies through this channel, providing also non-financial benefits to companies and investors. While these forms currently lead the industry, lending and equity based crowdfunding are expected to play an increasing role in the future.

Lending-based crowdfunding, or peer-to-peer lending (P2P), has started as a form of loan transactions in which individual consumers borrow from and lend money to one another, by means of unsecured personal loans, without the mediation of a financial institution. This community lending implies direct contact between the parties and, often, exchange of information that, through the internet platform, is visible to other current and potential borrowers, and may help to broaden the creditor base. In fact, P2P lending communities operate on the principle of “full financing,” i.e., the loan request gets funded only if it receives enough bids to cover the entire amount requested by the borrower within an established pledging period, which may range from a few weeks to several months (Herzeinstein et al., 2008)

However, over time, crowd-lending has become increasingly mediated by online intermediaries. In the case of lending platforms, typically the lenders purchase notes issued by the sites, which use those funds to lend through Paypal or WebBank to borrowers (Mistra, 2012). Thus, the online platform acts as an intermediary, for instance, collecting loan pledges from the crowd for private projects, releasing them at the moment a target is reached, according to a threshold principle, collecting repayment instalments from the debtor, and forwarding them to each crowd-lender<sup>25</sup>. In some business models, the pledged amounts are transferred to an escrow account<sup>26</sup>, which is managed by the platform or a partner bank. Once the threshold pledge is reached, payments are transferred from the escrow account to the project’s account (Hemer, 2011).

Peer-to-peer loans are usually unsecured loans, i.e. no collateral is required on borrowers, although, in some cases companies may offer secured loans. Nevertheless, transaction fees and interest on loans are charged by the online intermediary, which depend on the borrowers’ credit risk, as assessed by accessing credit information from third parties or on the basis of information submitted by the borrowers themselves. The online platforms typically develop credit models for loan approvals and pricing, and perform credit checks of borrowers. Indeed, P2P platforms make profits from commissions instead of the spread between deposit and loan. The longer repayment

period that a loan lasts, the higher fees the borrower has to pay (Lin, 2009; Chen and Han, 2012).

In the case of equity or investment crowdfunding, a firm offers a certain proportion of its equity for a set amount of capital it is aiming to raise. Crowdfunded businesses do not have to adhere to the strict accounting standards required of public companies and, at the same time, unlike other risk capital providers, crowdfunding investors may have no experience in making such investments. As Collins and Pierrakis (2012) underline, as the model taps into the sub-section of the public with an interest in entrepreneurship, in many cases investment will also be motivated by non-financial aims, such as becoming part of an entrepreneurial venture or supporting a particular individual or business.

The business model of equity platforms typically implies that entrepreneurs or project initiators define with the partner platform a funding threshold and a time period for reaching the target, which is divided into equal shares. These are offered as equity shares through the platform and, in a similar way as the threshold model for crowd-lending, once the threshold is reached the investment takes place (Helmer, 2011).

A key step in this process is the valuation of the business, in order to establish the amount of equity to be offered in exchange for the target capital to be raised. In most cases, it is the entrepreneur him/herself that performs this valuation, although the platform may allow for some upward flexibility in the amount of equity that is offered, as the fundraising progresses and if the observed investment rate does not allow reaching the threshold within the agreed timeline. Some platforms operate a market-driven approach to setting valuation, whereby the entrepreneurs set out the amount of equity and number of shares they are offering, and, through a bidding process, investors who are willing to pay the most for the shares get in on the deal. Some platforms also provide to entrepreneurs training on how to value a business, engaging ex-investment bankers, fund managers and venture capitalists (Collins and Pierrakis, 2012).

An emergent business form of equity crowdfunding platform is the “holding model”, as defined by Helmer (2011), whereby the platform creates a subsidiary company, which operates as an individual holding for each of the crowdfunded ventures. In this case, it is the holding company that owns the company shares and sells them to the crowd, acting as a single investor in the firm, alongside other potential investors from the conventional capital market. As experience and professionalism increase, crowdfunding platforms are evolving into more sophisticated intermediaries, which may offer other services beyond the facilitation of funding, such as due diligence, consulting, search for co-investors or management of a co-investment fund (Helmer, 2011).

### **Trends in Crowd Funding**

The crowdsourcing industry has grown rapidly since the mid of the 2000s, and at an increasing rate over the last few years, although it still represents a very minor share of business financing. According to Massolution, a research firm that produces an annual report on the crowdfunding industry<sup>30</sup>, globally, there were 536 active platform in 2012,

a 23.5% increase with respect to the number estimated in 2011 (434), and nearly double the number of platforms observed in 2010 (283). The rate of increase of the volume of funds raised has been even more pronounced, from USD 1.5 billion in 2011 to an estimated USD 5.1 billion in 2013. Crowdfunding is mainly centered in North America and Europe, which, in 2012, accounted respectively for 59% and 35% of the capital raised worldwide. In 2012-13, North American crowdfunding volumes grew by 105% up to USD 1.6 billion, whereas in Europe crowdfunding volumes grew by 65%, reaching USD 945 million. In the rest of the world, growth was even more pronounced with a 125% average annual growth rate.

However, an important difference exists between the US and Europe with regard to the type of crowdfunding raised, which can be explained to a large degree by the different regulatory frameworks in place. While in the US equity crowdfunding has been hindered by regulatory limitations, so that, in most cases, it takes the form of donation- or reward-based crowdfunding, in several European countries, equity-based platforms have been in operation for some years. However, the size of equity crowdfunding in Europe was estimated to be in the range of EUR 50 -100 million in 2013, still a very minor share of the market, if compared, for instance, with the EUR 26 billion value of the IPO market (OECD, 2014c). 275. Worldwide, donations and reward-based crowdfunding are the most widespread, accounting for USD 1.4 billion in 2013 and recording an 85% increase in volumes over a year. The second largest category is lending-based crowdfunding, which however exhibits a higher rate of expansion. Equity-based crowdfunding still represents a minor share of the market, growing at a relatively moderate pace.

In 2012, the most active crowdfunding category was that related to social causes, which represented 30% of the campaigns monitored by Massolution. At the same time, business and entrepreneurship ventures have increased their relevance in the industry (16.9%), accounting in 2012 for a share slightly smaller than the one of the entertainment sector (19.4%), in which the crowdfunding phenomenon had first boomed.

## Conclusion

Crowdfunding has grown rapidly since the middle of the 2000s, and at an increasing rate in the last few years, although it still represents a very minor share of financing for businesses. One specificity of this instrument is that it serves to finance specific projects rather than an enterprise. It has been used in particular by non-profit organisations and the entertainment industry, where non-monetary benefits or an enhanced community experience represent important motivations for donors and investors. Nevertheless, over time, crowdfunding has become an alternative source of funding across many other sectors, and it is increasingly used to support a wide range of for-profit activities and businesses.

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## **WOMEN ENTREPRENEURSHIP TOWARDS MARKETING OF ROSE FLOWER IN DINDIGUL DISTRICT**

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### **Abstract**

*Entrepreneurship is necessary to initiate the process of economic development of both developed and developing countries. Women have to face various socio-economic and other problems as entrepreneurs as they are not treated at par with men due to social and cultural traditions. Rose is one of the nature's beautiful creations and is universally acclaimed as the 'Queen of Flowers'. No other flower is a better symbol of love, adoration, innocence and other virtues than the rose. It is certainly the best known and most popular of all garden flowers throughout the world and has been growing on this earth for many billion years before man himself appeared. It has become the part and parcel of life, being connected with all phases of life right from birth to death. The study aims at understanding the development of women entrepreneurship in India, challenges and strategies.*

**Keywords:** women Entrepreneurship, Rose

### **Introduction**

Women have been successful in breaking their confinement within the limits of their homes by entering into varied kinds of professionals and services women entrepreneurs have proved to be on par with their men counterparts in business acumen and are emerging as smart and dynamic entrepreneurs. Rose is one of the nature's beautiful creations and is universal acclaimed as the Queen of flowers. Rose flowers are parts of plants, characteristically including blooms or inflorescences and some attached plant materials, but not including roots and soil. Fresh Rose flowers are highly perishable because they maintain only limited life-supporting processes by taking water up through their stems. Fresh Rose flower are used for decorative purposes such as vase arrangements and bouquets at formal events designs for weddings and funerals gifts on occasions such as mother's Day, valentine's Day, in times of illness, and at holidays such as Christmas and Easter; corsages and boutonnieres; and informal displays to beautiful homes and public places.

Fresh Rose flower consumption tends to be seasonal and peaks around certain holidays. Sales also depend on consumer optimism and price. Industry research on Rose flower buying practices has shown that a heavy buyer (repeat customer) of Rose flowers tends to be middle-aged, and most likely an "empty-nester". Consumers are increasingly making their fresh Rose flower purchases are floral arrangements. In

today's competitive market, women entrepreneur plays vital role in the marketing. Flowers are purchased for a variety of reasons ranging from expressions of love or sympathy to satisfying environmental and beautification goals. The goal of this research is to examine the determinants affecting the women entrepreneur perceptions for Rose in Dindigul District. It was based on a survey of This study takes up the questions of buying behavior of women entrepreneur and the reasons for the preference of Rose in a wide context. Rose women entrepreneur in Dindigul District. From the analysis the variables of great importance that affect the perception are the marital status, gender, age, occupational status, head and household number.

### **Statement of the Problem**

Marketing of Rose poses more problems compared to other agricultural commodities as they have a high degree of perish ability, steady decline in price, and greater number of middlemen and are grown mostly by the small and marginal growers. Further, the Rose growers are affected by the problems like time of sales, price fluctuation, non-availability of fertile seeding, high wage rate, non-availability of laborers high transport cost, high commission and malpractice by the middlemen. On the other hand, inadequate technical know-how and Governments apathetic attitude have compounded the problems of marketing of this Crop, Growers are thus facing a number of difficulties in marketing the produce.

The Rose marketing is largely confined to the private traders virtually in the grip of a few commission agents. The interest of the Rose growers has been grossly neglected causing severe financial losses. The middlemen manipulate the situation by offering low price to the growers under the pretext of low demand and falsely rejecting the produce in the name of sub-standard. Sometimes, the Rose flowers also get accumulated in a particular region due to the climate conditions or due to the strike by transport owners. Hence attempt has to be made to study the marketing of Rose flowers in Dindigul District.

### **Review of Literature**

1. **Jayawardhena (2011)** in a study conducted in Centre India, tested a conceptual model of the effects of customer and service orientation (SO) behaviours of individual retail employees on individual customers perceptions of service encounter quality (SEQ), service quality (SQ), value, satisfaction, and behavioural intentions (BI). The sample was customers of a supermarket in central india, and they completed questionnaires following mall intercept. To test the hypotheses, structural equation modeling was employed. They found that service and customer orientation (CO) behaviours are positively positively related to SEQ and SQ; SEQ is positively related to SQ and customer satisfaction; SQ is positively related to value perceptions and customer satisfaction; and customer satisfaction is positively related to retail customers.
2. **Ghosh, Tripathi and Kumar (2010)** in their study conducted in Indian context, attempted to address issues related to store attributes and their relevance in the store format selection. Eleven variables (store attributes) had been indentified

based on theory and judgment. Factor analysis had yielded three factors: Convenience and Merchandise Mix, store Atmospherics, and designing their outlets with store attributes that would meet the expectations of shoppers and thus motivate them towards store patronage decision.

### Objectives of the Study

- To study about women entrepreneurship towards marketing of Rose flower
- To analyze socio economic characteristics of women entrepreneurs.
- To give suitable suggestions towards the study area.

### Methodology

It is based on survey method. Data were collected from both primary and secondary data. The primary data for the study has to be collected with the help of Interviews schedule. The secondary data has to be collected from the following sources:

- Books and journals.
- Research reports
- Dealers.
- Magazines, articles from newspapers.
- Websites.

### Sampling Size

Randomly 100 Respondents were selected for this study.

**Table1 Socio-Economic Character percentage Analysis**

Factors	Category	No. of respondents	Percentage
Age	Below 30	36	36
	30-40	35	35
	40-50	20	20
	Above 50	9	9
	Total	100	100
Marital status	Unmarried	35	35
	Married	65	65
	Total	100	100
Educational qualification	Illiterate	2	2
	Primary	10	10
	Secondary	25	25
	Higher secondary	36	36
	Graduate level	27	27
	Total	100	100
Annual Income	Below 10000	28	28
	10000-20000	25	25
	20000-30000	18	18
	30000-40000	15	15
	Above 40000	14	14
	Total	100	100

Business Type	Trading	38	38
	Manufacturing	24	24
	Service	20	20
	Combination	2	2
	Others	16	16
	Total	100	100
Source of Financing	Spouse Income	27	27
	Personal Savings	23	23
	Loans from banks	20	20
	Other sources	30	30
	Total	100	100
Spend the business income	Family expenses	51	51
	Personal saving	21	21
	Re-investment in her business	28	28
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Primary Data

Table 1 reveals that 36 percent of the respondents belong to the age group of Below 30 years, 65 percent of the respondents are married women, 36 percent of the respondents completed their studies upto Higher secondary school, 28 percent of the respondents earning below 10000, 38 percent of the respondents respondents are trading, 24 respondents are Service, and 51 percent of the respondents are Family spending money to the family expenses.

**Table 2. Variables influencing marketing of Rose flower**

S.No	Problems	Total score	Average	Rank
1.	Price fluctuations	4945	49.45	X
2.	InadequateTransport facilities	5282	52.82	I
3.	Inadequate finance	5278	52.78	II
4.	Lack of storage facilities	5188	51.88	IV
5.	Perishability	5191	51.91	III
6.	Seasonal demand	5020	50.02	IX
7.	High commission	5009	50.09	VIII
8.	Low price	4795	47.95	XII
9.	Malpractices in weighing	5106	51.06	VII
10.	Exploitation by the middleman	4909	49.09	XI
11.	Forced sale	4792	47.92	XIII
12.	Absence of proper local market	5169	51.69	VI
13.	Inadequate export facilities	5177	51.77	V

Table 2 indicates that, 52.82 percentage results for Inadequate Transport facilities which hold I Rank. Inadequate finance holds II Rank. It is followed by price fluctuation, Lack of storage facilities, perishability, Seasonal demand, High commission, Low price, Malpractices in weighing, Exploitation by the middleman, Forced sale, Absence of proper local market and Inadequate export facilities.

### Findings

1. 36 % of the respondents belongs to below 30 age group of women entrepreneurs in marketing of Rose flowers

2. 65 % of the respondents are married.
3. 38% of the respondents belong to higher secondary level.
4. 28 % of the respondents belong to below 10000.
5. 38 % of the respondents are trading.
6. 30 % of the respondents are other sources of finance.
7. 51 % of the respondents are spending money to the family expenses.

### **Suggestions**

- The market infrastructure for the Rose is poor in terms of cold storage, transportation facility and undependable roads. It is imperative to mention here that the failure of state government in creating the cold markets, thinking the closure of road. This increases the supplies against a meager demand which results finally in less prices.
- Various malpractices such as deduction of more charges, payment by installments, quoting of lower prices than actual, deduction of undue charges etc., are generally followed by these middle men.
- High financial cost and untimely availability of loan due to lengthy procedure are playing important role for this situation.
- The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
- Adequate training programme on management skills to be provided to women community.
- Traders and agents often get bulk orders.
- Women entrepreneurs Guidance cell should be opened in all cities to handle problems related to day to day functioning like production, marketing and distribution problems.

### **Conclusion**

The problems are complex and ranged from agronomic aspects to pests and disease management, post-harvest handling, marketing and financing. For promotion of the crop, there is a need for creation and strengthening of such agency which would address these problems and also train the manpower for handling these constraints coming in the way of gigantic job of full potential exploitation of this core sector of the economy state. Promotion of women entrepreneurship trains the future generation of women and it will solve tomorrow's unemployment problems. Women entrepreneurs inspite of their and hardships are a satisfied and confident lot in society and a model to other women.

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## **A STUDY ON BARRIERS AND PROBLEMS OF YOUNG ENTREPRENEURS**

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### **Abstract**

*Entrepreneurship and business creation are the growing alternative for young people whose age group often faces a labour market with double digit unemployment rates. Traditional career paths and opportunities are disappearing rapidly. A growing number of young people are taking up challenge of starting their own business and much is being learned about how the odds for success can be improved through various types of assistance and through the creation of a supportive environment. This paper analyse the various barriers and problems faced by the young entrepreneurs and also factors influence the young entreoreneurship.*

### **Introduction**

Promoting youth entrepreneurship will not only help in reducing unemployment but more importantly make young people understand that they have alternatives to create their own destiny by starting their own companies and they need not keep waiting to get a job. Some of the major perceived barriers to youth entrepreneurship identified are lack of capital, no prior experience and lack of guidance. The growing educated, idle, jobless and underemployed youth is a major societal problem which if not tackled and controlled timely could turn into a bigger trouble for the state government. Entrepreneurship education has been recognized as one of the vital determinants that could influence students' career decisions. Technical and vocational education are the only alternative forms of education and training that can guarantee entrepreneurship development and job creation for youths.

Entrepreneurship and self-employment can be a source of new jobs and economic dynamism in developed countries, and can improve youth livelihoods and economic independence in developing countries. For young people in the informal economy, micro-entrepreneurism is a bottom-up method for generating an income, self-reliance and a new innovative path to earning a living and caring for oneself.

### **Types of Young Entrepreneurs**

Another approach to classify different types of young entrepreneurs is a transitional categorization, based on significant structural differentiation in youth enterprise activities.

**1. Pre-entrepreneurs** (in the age of 15-19 years): This is the formative stage. These younger youth are often in transition from the security of the home or education to the work place. But, as Curtain (2000) observes, for many young people, the transition from

education to work is not a single step of leaving the educational system and entering the world of work.

**2. Budding entrepreneurs** (in the age of 20-25 years): This is the growth stage. These youth are likely to have gained some experience, skills and capital to enable them run their own enterprises. They often face three enterprise pathways: 1) remaining stuck in marginal activities; 2) going out of business; and 3) running successful enterprises.

**3. Emergent entrepreneurs** (in the age of 26-29 years). This is the prime stage. With valuable experiences in business, emergent entrepreneurs have a higher level of maturity than youth in the lower age groups. Hence they are more likely to run more viable enterprises than younger people.

### Objectives

- To identify barriers and specific constraints that impedes young people from starting and running a business.
- To identify the reasons for the importance of promoting youth entrepreneurship.
- To identify factors that influence youth entrepreneurship.
- To identify the factors for improving business support and assistance for young people.

### Barriers and Incentives to Enterprise Start-Ups By Young People

In this section, we examine a range of key constraints and barriers to youth entrepreneurship in general and to enterprise start-ups by young people in particular. At the same time, we present incentives, strategies and tools that make or could make starting a business a more viable alternative and easier for youth. We take a particular look at five crucial factors for entrepreneurial engagement that should be addressed by appropriate programmes to foster youth entrepreneurship. This includes:

1. Social and cultural attitude towards youth entrepreneurship;
2. Entrepreneurship education;
3. Access to finance/Start-up financing;
4. Administrative and regulatory framework; and
5. Business assistance and support.

For each of these factors we outline the key deficiencies, constraints and impediments for young people. Next we attempt to pool the major programmes, initiatives and practices being used in different countries to overcome these barriers.

### Problems experienced by young entrepreneurs in the course of running a business (in percentage)

- Not being taken seriously by colleagues or business contacts 44
- Age discrimination by suppliers or customers 36
- Difficulties in attracting funding to the business 30
- Age discrimination by institutions or the Government 17
- Lack of support from family or friends 10
- None of these 30

Source: Young Entrepreneurs Tomorrows Business Leaders, Barclays Bank (2004), in Darby (2004).

### **Key educative constraints to entrepreneurship**

How should education be generally improved to become more entrepreneurially orientated?

What are the key shortcomings and constraints in the current structures? In the following section we outline some important areas for improvement:

#### **Key educative constraints**

- General lack of introduction and adoption of enterprise education;
- Inadequate curricula and study programmes;
- Wrong learning methods;
- Negligence of students' personal environment (parents and family members);
- Lack of trained/educated teachers;
- Lack of career information and business possibilities;
- Lack of business and education linkages; and
- Lack of ICT infrastructure/capability.

#### **1) General lack of introduction and adoption of enterprise education.**

In many countries, particularly in developing and transition countries, enterprise education simply does not exist or has not been sufficiently adopted. Entrepreneurship programmes should be introduced at a school level, not only at college.

Entrepreneurs aware of the problems and difficulties of creating a business and who experienced successes and failures of making a business, young students will believe they can make it as well.

#### **2) Inadequate Curricula and study programmes.**

The teaching of entrepreneurial skills and attributes and behaviours is often not properly integrated into school curricula or not adequately taught on different educational levels. Most education systems still teach traditional values of compliance to the norm rather than independent thinking and acting, risk-taking and self-reliance. Moreover, an academic approach to education nurtures skills that are appropriate to working in the public sector or large organizations and companies but not for an entrepreneurial career.

#### **3) Wrong learning methods.**

In most education systems, there is still a clear lack of practical and experiential learning as well as of teamwork learning. Experiential learning is very rarely used, as an effective way of gaining knowledge and experience, yet it is probably the most powerful way of learning entrepreneurship.

#### **4) Lack of trained/educated teachers.**

Teachers and university professors often have only limited experience in, and understanding of, small businesses and self-employment. They are not adequately trained or educated to teach entrepreneurial skills young people.

#### **5) Lack of career information and business possibilities.**

School environments often do not sufficiently introduce youth to the concept of entrepreneurship and self-employment as a career option. Tools, resources and information material to support youth entrepreneurship are not readily available.

**6) Lack of business and education linkages.**

Relationships between educational institutions and the business community (school industry, partnerships, combination of classroom learning and structured on-the-job Experience) do not exist or are poorly developed.

**7) Negligence of students' personal environment (parents and family members).**

Entrepreneurship education initiatives often disregard the important role of family members of young people and their parents in particular. Creating awareness among family members regarding the importance stimulating entrepreneurial culture is crucial.

**8) Lack of ICT infrastructure/capability.**

Due to financial constraints, schools often cannot afford to provide access to appropriate ICT infrastructure (hardware, software, Internet access and multimedia applications). An inadequate ICT infrastructure and training constrain ICT capabilities of young people, which are increasingly crucial for many new entrepreneurial opportunities.

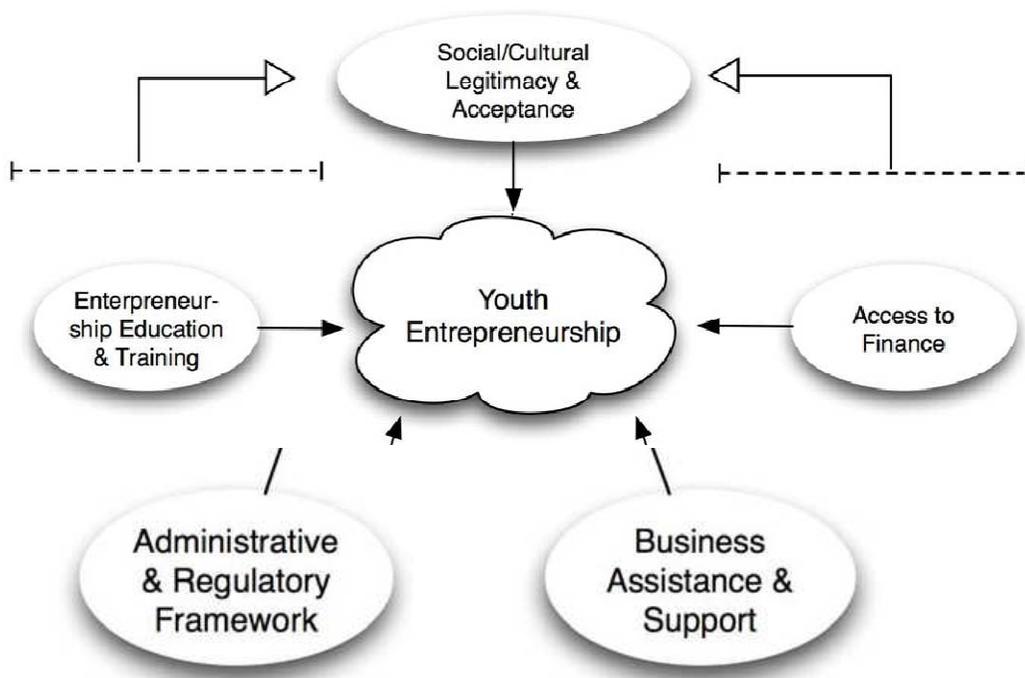
**Importance of Promoting Youth Entrepreneurship**

Following are number of reasons for the importance of promoting youth entrepreneurship:

- Creating employment opportunities for self-employed youth as well as the other young people they employ;
- Bringing alienated and marginalized youth back into the economic mainstream and giving them a sense of meaning and belonging;
- Helping address some of the socio-psychological problems and delinquency that arises from joblessness;
- Helping youth develop new skills and experiences that can then be applied to other challenges in life;
- Promoting innovation and resilience in youth;
- Promoting the revitalisation of the local community by providing valuable goods and services;
- Capitalising on the fact that young entrepreneurs may be particularly responsive to new economic opportunities and trends.

The study of youth entrepreneurship is still relatively recent. Though the crucial role played by entrepreneurship in driving economic development and job creation is increasingly understood, there has been little effort to look at it from a youth perspective. Unfortunately there is still a general lack of in-depth research and concrete data on youth entrepreneurship, especially as it Relates to different framework conditions and to the creation of new firms.

## Factors that Influence Youth Entrepreneurship



### Improving business support and assistance for young people

In the following section, we outline major strategies, initiatives and tools used in different countries to improve Business Assistance and Support (BAS) for young people. Promotional efforts can be broadly divided into four categories:

1. Research on business assistance and support
2. Provision of business skills training, guidance and counselling services
3. Provision of working infrastructure
4. Promotion of enterprise integration and business linkages.

#### 1) Research on business assistance and support

As mentioned in previous chapters on social acceptance, access to finance, administrative burdens and enterprise education, appropriate research (assessment and evaluation) on the real needs for BAS in a country or region and on its accessibility for young entrepreneurs is highly valuable, before using the trial and error method and targeting youth with common strategies. Again surveys focussing on the perceptions of young people and young entrepreneurs are probably the best way to capture the deficiencies and constraints in this area.

#### 2) Provision of business skills training, guidance and counseling services

In recent years, we observe the development of various new products, tools and services in this area. The use of modern information technology and the internet in particular offers new ways of training and counselling as well as more customer-focussed and cost-saving services in new formats 24 hours a day. As younger people – particularly in industrialized countries – are often more familiar with these technologies,

they can particularly benefit from these services. Sufficient on-the-job training and workshops

### **3) Provision of working infrastructure**

Business incubators have become a powerful tool for supporting the entrepreneurial process and for helping to increase survival rates for young innovative start-up companies. Besides the provision of physical working space, they often provide a huge range of resources and services (management coaching, business plan preparation, administrative services, technical support, business networking, advice on intellectual property and sources of financing) for a limited time period (around 3-5 years).

Business incubators can be found in very different forms and can be private, public or based on a Public-Private-Partnership (PPP) initiative involving many partners at national, regional and local levels (business angels, banks, regional and national government agencies, etc.). In the last twenty years, many governments have successfully launched systems of public business incubators to encourage and assist young enterprises.

However, the success of an incubator depends upon providing the right package of services for the entrepreneur. Further benchmarking and best practice comparisons are needed to ensure business incubator solutions address the specific needs of young people.

### **4) Promotion of enterprise integration and business linkages**

Youth Chambers of Commerce, trade associations, entrepreneur clubs and networks in many countries, Youth Chambers of Commerce, trade associations and young entrepreneur clubs are dedicated to connect students or young entrepreneurs with other local entrepreneurs and support organizations. They try to help them to find the right business partners and to enter supply chains. In order to bring business people together, they organize speaker series meetings, business roundtables, business lunch/dinner discussions, mentor matching programmes and on-site field trips to entrepreneurial companies. Moreover, they represent their interests by lobbying governments and commercial banks.

Internet: Online business networks and virtual meeting Places .Once again, modern communication technology and the “Web” present huge opportunities to create and develop business relations. Through online business networks and virtual meeting places, young entrepreneurs can create information and relationship platforms or interfaces that are easy and cheap to access, always available and up to date. Trade fairs and exhibition Facilitating the access to trade fairs and exhibitions (e.g. through reduced charges) enables young people to present their product and services and to find clients, business partners and networks. Media support (regional and local) Regional and local media support in form of commercials, announcements and business mediation can be highly valuable for young entrepreneurs to develop a client base as well as to find the right partners in the start-up phase of their business.

## Conclusion

As said earlier in the paper, promoting youth entrepreneurship will not only help in reducing unemployment but more importantly make young people understand that they have alternatives to create their own destiny. This paper identifies barriers and specific constraints that impedes young people from starting and running a business, so that the young generation approaching entrepreneurship can have a clear perception on their entrepreneurship journey plan.

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## EMPOWERING ENTREPRENEURSHIP AMONG YOUTH IN INDIA

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### **Abstract**

*The development of Indian society in general and the growth of the economy in large, requires the strong empowerment of youth and their transformation from job seekers to job creators, by channelizing their creative skill and energy towards successful business ventures. In a developing economy like India, promotion of entrepreneurs and entrepreneurship has become a priority for the governments, financial institutions and academic institutions. Partly because, it is believed that such growth was made possible by efforts of the governments, institutions, and individuals who responded to calls for setting up business units.*

**Keywords:** *empowerment, promotion, transformation, entrepreneur*

### **Introduction**

The development of Indian society in general and the growth of the economy in large, requires the strong empowerment of youth and their transformation from job seekers to job creators, by channelizing their creative skill and energy towards successful business ventures. In a developing economy like India, promotion of entrepreneurs and entrepreneurship has become a priority for the governments, financial institutions and academic institutions. Partly because, it is believed that such growth was made possible by efforts of the governments, institutions, and individuals who responded to calls for setting up business units.

India is one of the fastest growing economies in the world. It also has a significant youth population. But the country has only a substantial number of entrepreneurs. If India is to tap the entrepreneurial talent of its people, its leaders must enact significant reforms that increase support for new businesses in the formal sector. India needs to minimize barriers and provide support that will accelerate entrepreneurial growth.

Presently Indian youth face two problems – One is lack of soft skills to get placed at the corporate world and the second is the lack of entrepreneurial skills to start own business enterprise. Today's students of higher educational institutions of India are ambitious to experiment new things but unfortunately are not encouraged by their parents because parents want their children to play safe. Entrepreneurship is quite challenging and most of the students in that age and stage would like to try for it but the socio-economic conditions do not encourage for the same.

Not every individual, even armed with training and reinforcement, can be a successful entrepreneur. Success comes more naturally to those who have inherent talent for the Endeavour. Successful entrepreneurs are likely to be optimistic, goal-

oriented, and persistent. When examining Indian's profiles using these criteria, the population appears to have an abundant resource, of entrepreneurial talent.

More than 60% of the Indian population possesses personality traits that are crucial for success as an entrepreneur – such as Business thinking, optimism and persistence – which suggests a wealth of entrepreneur capacity. However, willingness to take the risk of running a business is not a common trait among a majority of indices.

### **Meaning and Definition of Entrepreneurship**

The word entrepreneur originates from the French word, which means In a business context, it means to start a business. Austrian economist Joseph Schumpeter's definition of Entrepreneurship placed an emphasis on innovations, such as; new products, new production methods, new markets and new forms of organization. Wealth is created when such innovation results in new demand.

From this viewpoint, one can define the function of the entrepreneur as one of combining various input factors in an innovative manner to generate value to the customer with the hope that this value will exceed the cost of the input factors, thus generating superior returns that results in the creation of wealth.

The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of Entrepreneurship is the starting of new businesses.

In Economics, Entrepreneurship combined with land, labour, natural resources and capital can produce profit. Entrepreneurship spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global market place. There are more entrepreneurs than investors on the list of wealthiest people, but that doesn't mean Entrepreneurship is necessarily a better wealth builder than investing.

### **Causes for lack of entrepreneur skills in youth: no social security measure**

There are any social security measures in India. Parents want their children to go for stable employment so that there will not be any problem either for their children or for themselves in future. This prevents the youth from trying and experiment the unexplored areas of entrepreneur and their ambitions lie untried and untested.

### **Education System in India**

The present educational system encourages cramming and only for the examination sake. Mind and energy are not used on creativity and practical application of knowledge. Experimenting and research are given minimum priority for young students of HEI's in India.

### **Fear of Failure**

The youth are more worried about the fear of failure. They are more concerned about their failure rather on their success and it inhibits their entrepreneurship zeal and enthusiasm. They are more concerned about the society rather than on themselves. As in entrepreneurship risk taking is a major factor and failure is always around. Failure is

always the gap between the expectation and the reality. When the outcome is against our predictions despite put their sincere efforts and energies then it is termed as failure.

### **Fear of Criticism**

The youth are also very skeptical about criticism. They are not ready to accept criticism and take it to their stride; rather they are much bothered about it and become overcautious about everything. Facing failure and criticism is the most challenging task for any human being. Everyone loves success and hates failure. This is inherent in the human nature. Is it possible to achieve success without failure? Of course, it is not possible.

### **Mind Set**

In India the youth are having the mindset of job seekers rather than a job creator. The basic criteria for joining a HEI by a student in India is to see that finally after completing the course of study they land up with a job with very handsome salary package. They join a institution for getting a good job rather than learning exposure available.

### **Missing Leadership Quality**

Leadership quality is seen missing among youth in India. Most of them like to be a follower of others rather than leading from front. Leadership skills and entrepreneur skills have interconnectivity. Lack of leadership qualities among the youth is the cause for concern in our country. The present scenario does not encourage the students to cultivate leadership qualities, which are the essence for entrepreneurial skills. The Indian Government up to nineties did not encourage free entrepreneurship due to the policy of mixed economy. Whatever the little entrepreneur zeal people had got killed due to this Today in India it requires the strong empowerment of youth and their transformation from job seekers to job creators, by channelizing their creative skill and energy towards successful business ventures. Youth must be groomed at their higher education levels with the thought of entrepreneurship and must be thought entrepreneurial skills. The educational institutions need to encourage entrepreneur skills right from the curriculum itself. The Government should also take initiative to encourage the youth by providing conducive climate for the same. The parents should also encourage their children with the changing industrial climate across the country, which is highly favorable for experimenting entrepreneur skills. The teachers and faculties should motivate and inspire the students in this area. The passion to perform must be the bed rock for the youth. They should realize that instead of struggling for employment they should put little more efforts and energies to provide placements for other unemployed youth by setting up their own enterprise.

### **Looking into the most important element of entrepreneurship:- risk v/s return**

Risk is directly proportional to return. Higher the risk, higher the return and vice versa. In any business venture every entrepreneur should learn this fact and should plan his

resources accordingly. Again risk is inversely proportional to age. In the young age, there is a possibility of taking higher risk. As the age increases the risk taking capacity among the individuals decreases and gradually the energy and enthusiasm among the individuals fades away.

## Conclusion

There is a need to cultivate leadership qualities and inculcate entrepreneur skills among the Indian youth so that it helps in the rapid progress of our country. The Indian society, by and large, has a distinct preference for service / decent job, that provides economic security and access to power that be. Youth get exposure to this kind of pro service culture since childhood. They grow up with a job oriented mindset, and seldom think of entrepreneurship as a career. Our educational system also rarely exposes the students to entrepreneur; prepares them for a job instead. Even if someone with a high entrepreneur aptitude wants to set up a business, she/he is discouraged by a host of adverse factors; lack of adequate access to information on setting up and operating a business, procedural hurdles, lack of start-up funds, lack of adequate networks and mentoring support, difficulty in accessing to technology, lack of a supportive system, operational difficulties, and the nightmare about the consequences of failure. These factors loose large and hinders the emergence of entrepreneur in adequate measure.

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## **ROLE OF SMEs IN ECONOMIC DEVELOPMENT OF INDIA**

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### **Abstract**

*Industrialisation is an effective means for solving the problems of economic and social progress in developing countries of the world. Gunwar Myrdal has rightly described the relationship of industrialization to economical development when he observes "the manufacturing industry represents, in a sense, a higher stage of production in advanced countries. The development of manufacturing has been concomitant with these countries spectacular economic progress and rise in levels of living. Entrepreneurship is indispensable to accelerate the industrial growth. Small and Medium enterprises are an effective means for the development of entrepreneurship. This sector is a only solution to the problems of poverty, insecurity, unemployment, over population he modern world. This article attempted at highlighting the significance SMEs in economic development of India.*

### **Introduction**

Small and Medium-scale Enterprises (SMEs) occupy an important and strategic place in economic growth and equitable development in all countries. Constituting as high as 90 per cent of enterprises in most countries worldwide, SMEs are the driving force behind a large number of innovations and contribute to the growth of the national economy through employment creation, investments and exports. Their contribution to employment generation, poverty reduction and wider distribution of wealth in developing economies cannot be underrated.

While most countries place most entrepreneurial firms in the category of small and medium-sized enterprises (SMEs), India refers to such firms as Micro, Small and Medium Enterprises. (MSME). After a longstanding demand from various entrepreneurs, small industry associations and related stakeholders for a single comprehensive legislation, the "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006" was enacted. This is the first Act that provides for a precise definition of these enterprises besides paving the way for a statutory National Board exclusively for them which helps implement promotion schemes and addresses the development and enhancement of firm's competitiveness.

Entrepreneurship is the practice of starting new organizations or boosting existing organizations. Many "high value" entrepreneurial ventures seek venture capital or

angle funding in order to raise capital to start the business. Credit assistance to SMEs in India is included along with other national priorities. Such funding assistances to priority sector consist of the credit facilities accorded to (i) agriculture, (ii) small scale industry including loans for setting up of industrial estates, (iii) small road and water transport operators, (iv) small business, (v) professional and self employed persons, (vi) retail trade, (vii) state sponsored organizations for certain castes and tribes.

### **Concept of SME in India**

The Micro, Small and Medium Enterprises Development (MSMED) Act 2006 facilitates the development of the enterprises and enhance their competitiveness. The act provides legal framework for "enterprise" which includes the manufacturing and service entities. In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act 2006, the Micro, Small & Medium Enterprises (MSME) are classified into manufacturing enterprises and service enterprises:

- a. Manufacturing Enterprises: The enterprises engaged in the manufacture or production of goods. The manufacturing Enterprises are defined in terms of investment in Plant & Machinery.
- b. Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment. The investment limits of the enterprises are shown in the table given below:

### **Classification of SMEs (According To Micro, Small and Medium Enterprises Development Act)**

Types of Enterprise Engaged in manufacture or production of goods. Engaged in providing or rendering of services Investment in plant and machinery Investment in equipment

- Micro Under INR 25 Lakhs Under INR 10 lakhs
- Small INR 25 Lakhs to INR 5 Crores INR 10 lakhs to INR 2 Crores
- Medium INR 5 Crores to INR 10 Crores INR 2 Crores to INR 5 Crores

The programs and schemes are undertaken by the Government to promote small scale industries by ensuring the following steps:

1. Adequate credit from financial institutions/banks
2. Funds for technology upgrading and modernization
3. Integrated infrastructural facilities.
4. Modern testing facilities and quality certification laboratories.
5. Access to modern management practices, entrepreneurship development and skill upgrading through appropriate training facilities.
6. Assistance for better access to domestic and export markets.
7. Cluster-wide measures to promote capacity-building and empowerment of the units.

## **SMEs– Role and Relevance in Economic Development**

Small and medium enterprises are the backbone of industrial development. It is very important for both developed and developing country Small and medium enterprises always represented the model of economic development, which emphasized high contribution to domestic production, significant export earnings, low investment requirements, employment generation, effective contribution to foreign exchange earning of the nation with low import-intensive operations. The contribution of small scale industries (SSIs) has been remarkable in the industrial development of the country. It has a share of 40% in the industrial production. 35% of the total manufactured exports of the country are directly accounted for by this sector. In terms of employment generated, this sector is next only to agriculture employing approximately 14 million people. Overall, the small industry sector has done quite well and has enabled the country to achieve considerable industrial growth and diversification. Small scale industries are less capital intensive and suit the Indian economic environment with scarce resources and large population base. In addition, it is highly and has a scope for labor intensive for building upon the traditional skill and knowledge. Small scale industries have remained high on the agenda of all political parties, intelligentsia and policy makers since independence as a legacy of Gandhian philosophy.

Potentialities for Growth: Opportunities Small and Medium Enterprises have substantially contributed to the economic development of our country. The SME sector in India occupies the second position next alone to agriculture in terms of employment generation. This sector accounts for about 95% of the industrial units, 45% of manufacturing output, 40% of exports total exports of the country. SMEs have greater opportunities to grow as ancillary industries to unleash higher industrial growth. MSMEs being less capital intensive and more employment-friendly have easier access to raw materials, subsidies and other incentives under cluster programs. The country has huge growth potential to create and enhance the capacity of enterprises both in the manufacturing and service sector by using the available resources. There are huge opportunities for the SMEs to grow as ancillary industries to unleash greater industrial growth. Development of the sector is therefore extremely important as it holds the key to inclusive growth and plays a pivotal role in holistic development of the country.

India is the fourth largest economy in the world (in terms of PPP mode, and the second largest in developing Asia) which accounts for 22% of GDP, 33.8% population and 32.5% of the potential workforce in developing Asia. The incidence of growth is evident from the increased investment in infrastructure, abundant job opportunities, emergence of a robust private sector with small and big companies/corporate houses and high rise in consumerism. The SME sector has the potentialities to emerge as the backbone of Indian economy and to continue as an engine of growth provided an environment-friendly policy framework and enabling infrastructural support are made available for its functional operations. SMEs in India consistently feed the domestic and the international value chain as manufacturers, suppliers, distributors, retailers, contractors and service provider by accounting for a substantial segment of our industrial units.

## **Contribution of SME towards Indian Economy**

The SME sector accounted for more than 17 percent of the GDP in 2014 while contributing to 45 percent of the nation's industrial output and 40 percent of the total exports. The SMEs in India add over 1.3 million jobs per year. With the onset of e-commerce, SMEs have achieved significant advantages such as increased revenues and margins, improved market reach, access to new markets, cost savings in marketing and communication, customer acquisition and improved customer experience. SME Contribution to Employment: Growth Rate of Employment Growth rate of number of enterprises Manufacturing 18 % 23% Services 34% 31% Currently, there are approximately 48 million SMEs operating in India and the sector employs around 40 percent of the country's labour. Indian SME's sector currently comprises of 1,157 industrial cluster and 6,000 micro-enterprise clusters. It is characterized as highly fragmented and unorganized and is dispersed across vast geographies. A large portion of the employment generated by SMEs is in the manufacturing and services sectors which are growing at impressive rates of 18 percent and 34 percent year on year respectively. SMEs contribution of 17 percent to India's GDP is much lower when compared to other major economies .It is expected to increase by 22 percent by year 2020. Also, the number of new entrants in the SMEs sector is growing at an average 23 percent in manufacturing and 31 percent in the services sector. The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI) has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country. Clustering of units also enables providers of various services to them, including banks and credit agencies, to provide their services more economically.

### **Schemes launched by MSME**

#### **a. Manufacturing Competitiveness Programme (NMCP)**

The Government has announced formulation of National Competitiveness Programme in 2005 with an objective to support the Small and Medium Enterprises (SMEs) in their endeavor to become competitive and adjust the competitive pressure caused by liberalization and moderation of tariff rates.

#### **b. Micro & Small Enterprises - Cluster Development Programme (MSE-CDP)**

The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI) has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country.

#### **c. Credit Link Capital Subsidy Scheme for Technology Upgradation**

The revised scheme aims at facilitating technology upgradation of Micro and Small Enterprises (MSEs) by providing 15% capital subsidy (limited to maximum Rs.15 lakhs) for purchase of Plant & Machinery. Maximum limit of eligible loan for calculation of subsidy under the scheme is Rs.100 lakhs. Presently, more than 1500 well established/improved technologies under 51 sub-sectors have been approved under the Scheme.

#### **d. Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGS)**

This scheme was launched by the Government of India (GoI) to make available collateral free credit to the micro and small enterprise sector. Both the existing and the

new enterprises are eligible to be covered under the scheme. The Ministry of Micro, Small and Medium Enterprises, GoI and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small

### The growth and development of SME sector

#### State/UT Wise Distribution of Number of EM-II Filed By the SME During 2007-08 TO 2015-16

(September)

Sl. No.	State/UT	Number of EM-II filed								
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 (30.9.15)
1	Jammu & Kashmir	1,044	971	1,192	914	1,170	1,027	918	1,159	559
2	Himachal Pradesh	832	925	1,053	942	856	772	627	388	96
3	Punjab	932	1,272	2,189	2,988	3,087	2,644	2,282	2,137	1144
4	Chandigarh	32	161	255	174	259	139	185	160	65
5	Uttarakhand	1,500	1,346	1,871	1,973	2,121	2,291	2,469	2,669	2082
6	Haryana	2,396	3,270	2,747	2,929	2,715	2,105	2,481	1,482	1111
7	Delhi	131	70	165	199	333	430	329	652	250
8	Rajasthan	13,786	14,703	14,631	14,863	14,678	15,363	17,601	18,655	4074
9	Uttar Pradesh	30,443	31,629	33,479	33,027	32,304	30,933	45,342	52,203	23402
10	Bihar	2,855	3,134	4,010	4,302	4,108	3,737	3,133	2,009	345
11	Sikkim	14	71	18	40	30	11	8	7	9
12	Arunachal Pradesh	63	144	86	60	25	55	25	25	0
13	Nagaland	687	2,498	1,445	217	213	231	242	91	10
14	Manipur	54	138	81	122	122	181	178	198	15
15	Mizoram	226	478	500	198	131	122	213	278	101
16	Tripura	156	236	220	218	205	150	173	172	92
17	Meghalaya	403	397	1,040	748	573	581	641	118	128
18	Assam	1,811	1,711	1,678	1,506	1,218	1,451	1,860	2,629	1075
19	West Bengal	17,618	13,428	11,685	10,109	13,470	10,342	11,380	15,244	8983
20	Jharkhand	940	1,051	669	690	939	4,554	3,592	3,450	410
21	Odisha	1,515	1,588	1,758	1,657	2,155	2,622	2,815	2,995	1682
22	Chhattisgarh	1,335	1,291	1,089	1,206	1,741	1,472	1,556	1,702	665
23	Madhya Pradesh	12,319	14,183	19,748	19,704	20,104	19,832	19,374	19,903	5169
24	Gujarat	13,185	17,866	19,992	27,939	51,781	68,235	58,627	64,160	36616
25	Daman & Diu	164	247	107	126	83	76	64	56	28
26	Dadra & Nagar Haveli	232	150	105	77	103	93	93	90	67
27	Maharashtra	10,244	11,682	11,896	14,496	15,606	16,136	19,826	36,992	20146
28	Andhra Pradesh	1,733	1,890	4,616	3,027	2,781	2,868	2,403	2,810	3677
29	Karnataka	14,984	15,705	17,195	18,434	21,021	24,208	25,966	28,754	10244
30	Goa	57	76	112	88	97	103	169	160	49
31	Lakshadweep	5	14	23	24	8	11	9	5	0
32	Kerala	10,757	15,541	10,956	11,089	11,071	13,551	14,997	14,906	5788
33	Tamil Nadu	27,309	32,049	41,799	57,902	70,639	90,974	116,393	143,104	85229
34	Puduchery	144	214	200	186	120	86	76	96	38
35	Andaman & Nicobar IIs.	52	61	68	78	82	100	100	112	38
36	Telangana	2,745	2,836	4,528	6,177	6,479	5,332	6,844	5,787	4467
	<b>All India</b>	<b>172,703</b>	<b>193,026</b>	<b>213,206</b>	<b>238,429</b>	<b>282,428</b>	<b>322,818</b>	<b>362,991</b>	<b>425,358</b>	<b>217854</b>

**Note:** For year 2015-16, information is available only till September, 2015.

## **Strength and Weaknesses of SMEs**

Major strength of Small Medium Enterprises observed are flexibility, owner management, inexpensive labor, less overhead and favorable capital- output ratio.

### **Flexibility**

Small and Medium Enterprises can easily absorb new innovation and adapt new method. The cost of changing the existing system is also relatively less.

### **Owner Management**

In Small and Medium Enterprises owner management is a possibility, which ensures quick decision making. This ensures speed and reduces redtapism. (Dalu & Deshmuke).

### **Inexpensive labor and less over head**

The main reason for sickness of large scale industry is its labor problem and escalating wage bill. Small and medium enterprises strength is its cheap labor and less over head.

### **Favorable capital- output ratio**

Small and medium enterprises are labor intensive. Through proper utilization of resources Small and medium enterprises can keep low level of capital investment per unit of output (Gowda and Krishnamoorthy).

## **Weaknesses**

**Lack of quality consciousness:** It is the major weakness of the small industries. Small and Medium Enterprises pay less attention to total quality programme and hence importance is less felt leading to quality problem (Derrick). Study reports show that under utilization capacity leads to reduction in level of productivity in Small and Medium Enterprises sector in India .

### **Lack of Financial Strength**

The Small and Mediunor brand image and hence mobilizing capital through other sources is a challenge Enterprises depend largely on banking finance. They don't have corporate image.

### **Lack of Industrial Work Culture**

Laborers give more weight-age to their personal work and don't maintain regularity, discipline in reporting on time. Getting and continuing with trained workers and satisfying them is difficult. Study reports show that in India many small and medium enterprises are sick and some are closing down. The main reason is lack of quality and increasing competition. It is necessary for Small and medium enterprises to face new challenges by adopting best strategies Hence the SMEs should take immediate step to create quality awareness, and adoption of continuous.

## Conclusion

With increasing globalization and entry of multinationals, immense opportunities have been created for outsourcing, sub-contracting and ancillarisation of the products manufactured by corporate particularly in 64 core sectors like automobiles, engineering and consumer electronics. A vibrant SME can derive maximum benefit of these developments. By its less capital intensive and high labour absorption nature, SME will make significant contributions to employment generation and also to rural industrialization. This sector is ideally suited to build on the strengths of the traditional skills and knowledge, by infusion of technologies, capital and innovative marketing practices. This is the opportune time to set up projects in the small-scale sector. The diversity in production systems and demand structures will ensure long term coexistence of many layers of demand for consumer products / technologies / processes. There will be flourishing and well grounded markets for the same product / process, differentiated by quality, the value added and sophistication. This characteristic of the Indian economy will allow complementary existence for various diverse types of units.

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**Source:** Ministry of Micro, Small and Medium Enterprise, Annual Report, 2013-2014 as on 15<sup>th</sup> June 2015, Ministry of Micro, Small and Medium Enterprise, Annual Report, 2015-2016, Great Lakes Herald March 2017, Volume 11 Issue No 1 Page 83, Sudha venkatesh, Krishnaveni Muthiah, "SMEs in India: Importance and Contribution, Asian Journal of Management Research , volume 2 Issue 2 2016, (792-796) Annual report of Ministry of Micro, Small and Medium Enterprises – ( MSME) of India, Government of India , [www.msme.gov.in](http://www.msme.gov.in)

## A STUDY ON ROLE OF SMEs IN ECONOMIC GROWTH OF INDIA

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### **Abstract**

*Small and Medium Enterprises (SMEs) are widely called the back-bone of the Indian economy. SMEs play a major role in economic growth in the OECD area, providing the source for most new jobs. Over 95% of OECD enterprises are SMEs, which account for 60%-70% of employment in most countries. As larger firms downsize and outsource more functions, the weight of SMEs in the economy is increasing. In addition, productivity growth – and consequently economic growth – is strongly influenced by the competition inherent in the birth and death, entry and exit of smaller firms. This process involves high job turnover rates – and churning in labour markets – which is an important part of the competitive process and structural change. This paper is focused on the contribution of Small and Medium Enterprises in Economic growth of India.*

### **Introduction**

SMEs are defined as non-subsidary, independent firms which employ less than a given number of employees. This number varies across national statistical systems. Small firms are generally those with fewer than 50 employees. This number varies across national statistical systems. The most frequent upper limit is 250 employees, as in the European Union. However, some countries set the limit at 200 employees, while the United States considers SMEs to include firms with fewer than 500 employees. Small firms are generally those with fewer than 50 employees while medium enterprises have 50 to 250 employees. Investment in Plant and Machinery (Manufacturing) in Small business is between 25 lacks and 5 crores s while the investment of medium enterprises is between 5 crores and 10 crores. Investment in Equipment (Service) in Small business is between 10 lacks and 2 crores s while the investment of medium enterprises is between 2 crores and 5 crores.

### **Objectives**

1. To discuss the role of small and medium enterprises in economic growth.
2. To highlight the problems of small and medium enterprises in India.
3. To offer suitable solutions.

### **Review of Literature**

Visser (1999)<sup>[1]</sup> in a study about small-sized firms in the clothing industry of Lima concluded that even with a greater performance for clustered firms the cooperative interactions among clustered producers are notably absent, both in production and transacting activities. The cooperative linkage with external agent also does not exist which implies negative effects for the quality of strategic decision making and

innovative capacity of the clustered firms. The advantages that might come from the cluster are related with a kind of “scale economies” achieve among the cluster. If the weakness on cooperation exists within a cluster, it might be more notable in an industrial district.

(Eriksen and Knudsen, 2003)<sup>[2]</sup> concluding that both firm and industry effects exist, consistent with previous research, but also that the firm effect is more important than the industry effect. This study was taken on Danish SMEs but the results are similar to studies on American large firms, which lead us to conclude that the firm effect is always more important no matter the firm size. Not only in profitability, but also on the performance the firm effect is higher than the industry effect (see, for instance, Hawawini et al., 2003).

Rosenfeld, 1996 <sup>[3]</sup> “States investing in or planning to invest in competitiveness programs that include networks want to measure the return to their investments in terms of effects on their economy. Since the programs target small- and medium-sized manufacturers and related services, the macro-effect on the economy is assumed to be reflected by aggregated changes in individual businesses affected by the programs.”

### **Methodology**

Being an Exploratory research it is based on Secondary data of Journals, Articles, Newspapers and Magazines, considering the objectives of the study conceptual type of research design is adopted. The accessible secondary data is intensively used for research study.

### **Roles of Small and Medium Enterprises in Economic Development**

SMEs play a major role in economic growth in the OECD area, providing the source for most new jobs. Over 95% of OECD enterprises are SMEs, which account for 60%-70% of employment in most countries. Government is extending various steps towards SMEs. In India, a unique instrument called reservation in the sense of legal ban on production by large units introduced in 1970s was for the safety and promotion of SMEs. In addition, the SMEs has been supported and encouraged by various government policies for infrastructure support, technology up gradation, preferential access to credit, preferential policy support, etc.

The traditional village and cottage industries as distinguished from modern SMEs are mostly unorganized and located in rural areas and semi urban areas. They normally do not use power operated machines/appliances & use relatively lower levels of investment & technology. But they provide part time employment to a very large number of poorer sections of the society. They also supply essential products for mass consumption & exports.

### **Improving Efficiency**

SMEs provide a platform for training of indigenous entrepreneurs, which drives the wealth creation process at all levels. It has even been established that SMEs is a nursery of entrepreneurship where individual creativity and innovation are the driving force.

Therefore, they may be as the university where vast majority of entrepreneur receives training.

### **Employment Generation**

SMEs have the capacity to generate employment as their mode of operations is more labour intensive. Their labour intensive nature is much higher than that of large enterprises. It has also been observed that more jobs per unit of investment capital and per unit energy consumed are created worldwide by SMEs than large scale enterprises. They have therefore helped in solving the problem of unemployment in many countries.

### **Promoting Growth**

SMEs by its nature are such that they are involved in primary and secondary economic activities that depend heavily on locally sourced materials. As such they achieve high value added operations which is a key role in the growth and development of any economy.

### **Industrial Dispersal**

SMEs could easily be located in rural areas because they can survive on rudimentary industrial infrastructure consequently they serve as major facilitators for industrial dispersal and rural development and thus have the capacity to stem rural-urban conjugation.

### **Poverty Alleviation**

SMEs play a vital role in reducing poverty and inequality among citizenry. This is connected to the affordable and relatively low capital requirement for its establishment. It also engages both skilled and unskilled workforce thereby creating a means of livelihood. This is an important role in any economic development process.

### **Problems of Small and Medium Enterprises in India**

India is at a transitory stage of growth wherein the cyclical downturn seems to be receding in the favour of growth. Accelerated pace of reforms, an important constituent of growth complements to the huge rise in the working age population. Given the right mix of macro & micro factors, India is well positioned to deliver stronger economic & corporate growth. India needs a high growth rate. India has now been growing at a steady pace. Over the last 12-18 months, we have seen many headlines screaming out that India will soon outpace China in its growth rates. To continue at the current pace, India needs to strengthen one of its core micro factors which strengthen its foundation, one of them being the Small & Medium Enterprises (SME) segment in India.

### **Inadequate Access to Finance Capital**

An important problem faced by micro and small enterprises in the country is that of finance. The problem of finance in micro and small sector is mainly due to two reasons. Firstly, it is partly due to scarcity of capital in the country as a whole. Secondly, it is partly due to weak credit worthiness of micro and small enterprises in the country. Due to their weak economic base, they find it difficult to take financial assistance from the commercial banks and financial institutions.

### **Inadequate Infrastructural Base**

The availability of infrastructural facilities in most developing countries are grossly inadequate. This includes epileptic power supply, lack of adequate water supply, poor state of road network and unreliable telecommunication facilities among others.

### **Low Entrepreneurial Skills**

The success of SMEs is usually in jeopardy as most entrepreneurs lack the required entrepreneurial skills and management expertise to survive. They lack good exposure to management theories/training/practices.

### **Problem of Marketing**

One of the main problems faced by the micro and small enterprises is in the field of marketing. These units often do not possess any marketing organisation. In consequence, their products compare unfavourably with the quality of the products of the large-scale industries. Therefore, they suffer from competitive disadvantages from large-scale units.

### **Suggestions**

- Initiative programmes Government from should be conducted to develop entrepreneurial skills and to enhance SME development.
- Government and financial institutions should develop a holistic approach to provide adequate training and organize workshops/seminars for entrepreneurs.
- Technical and financial support from the financial institutions is required for the development of Small and Medium Scale Enterprises (SMEs).

### **Conclusion**

In India SMEs has achieved steady growth over the last few years. The role of SMEs in the Industrial sector is growing rapidly and they have become a thrust area for the future growth. The Indian market is growing and the Indian industry is making rapid progress in various industries like food processing, garments, pharmaceuticals, agro and service sectors. Therefore, under the changing economic scenario the SMEs have both the opportunities and challenges before them.

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## **SMEs PROBLEMS OF ENTREPRENEUR**

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### **Introduction**

Small and Medium Enterprises (SME) play an important role in the development of a country. There are around 26 million MSME units in India, of which 13 million are SMEs. SMEs contribute nearly 45% share of manufactured output, accounting for 40% in overall exports of the country and providing employment to about 32 million people.

India has registered a high economic growth (6-9%) consistently over the last one decade. For the sustainability of this kind of growth proper nurturing of SME sector is imperative. The budget proposes to move the service tax from cash basis to accrual basis. This implies that businesses will have to pay tax.

### **Challenges That SMEs Face Today**

The SME sector today is facing a set of challenges which it has not experienced in the past and which could impact its future growth and in turn affect the Indian economy.

The problems faced by the MSEs and the entrepreneurs involved in these industries may be put into two major categories:

- i.Macro-level problems
- ii.Micro-level problems.

### **Complacency Setting In**

Many SME entrepreneurs have started reaching the point of satisfaction. Asset price inflation has increased their wealth manifold in the last decade. Inflation in real estate and stock in trade has unexpectedly raised their net worth beyond their expectations.

The challenges of taking business to the next level in terms of investment, manpower and professionalising the organisation, among others, are too much of a risk to take for the satisfied entrepreneur. Some SMEs are being run in neutral gear rather than in top gear.

### **Disinterest in Second Generation**

Many second-generation SME entrepreneurs don't want to step into their parents' shoes. Some of them are settled abroad. Some of them are educated enough to pursue well-paying jobs.

In absence of the next generation's commitment, further investment to take the SME business to the next level is not being done. Neutral gear versus top gear comes into play due to the non-commitment of the next generation.

### **Absence of Joint Family Support**

Break down in the joint family system is limiting, to some extent, SME entrepreneurs' ability to start a new business. The vacuum left by joint family system is not filled completely by friends as the emotional bonding of friendship sometimes doesn't stand the test of commercial considerations. Absence of ecosystem to nurture and support at different stages of growth of a SME is a growing concern.

### **Other Constraints**

The SME sector is facing continuous demand on productivity and efficiency gains from their large counterparts. These demands require investments in business on a regular basis.

Upcoming entrepreneurs are constrained by the high cost of setting up business, availability of finance and increasing complexity of doing business.

### **Conclusion**

It may be stated that in the Indian setting where poverty and unemployment are widely prevalent, the development of broad-based entrepreneurship need not be over-emphasized. No doubt the development banks have initiated certain measures for the development of broad-based entrepreneurship in the country. The entrepreneurship development programmes (EDPs) conducted by development banks are, by and large, urban-oriented and, therefore, the entrepreneurship is still emerging from urban and metropolitan centers. As a matter of fact, economic progress and prosperity depends upon available natural resources, accumulation of capital, technological advancement, discovery of other resources and the size and quality of human resources. But it is the entrepreneurial competence, skills and talents which make all the difference in the rate of progress and prosperity. The Government of India started a series of financial institutions since Independence to provide the term finance to the small industry.

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## **WOMEN ENTREPRENEURS' AWARENESS ON GREEN BANKING SERVICES WITH SPECIAL REFERENCE TO INDIAN BANK IN CHENNAI**

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### **Abstract**

A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly or through capital markets. Banks offer different channels to access their different banking products and services through ATM, Branch, Mobile banking, Internet banking, etc. Green banking will be mutually beneficial to the consumers, banks, industries and the economy. The study aims to identify opinion and awareness of bank women entrepreneurs regards to green banking concept in Indian bank in Chennai. Also it aims to find the women entrepreneurs usage relating to Green Banking Service. It is necessary to identify various initiatives taken by bank on the concept of green banking in order to influence women entrepreneurs and make them user friendly. Researcher will study the impact of different Green age group of women entrepreneurs with regard to green initiatives taken by Indian bank in Chennai.

**Keywords:** Green Banking, women entrepreneurs Awareness, Green Banking Initiatives, Online Banking

### **Introduction**

Today every business organizations and corporations are adopting "GO GREEN" concept because of the increasing friendly attitude of the society towards the environment. Banks play a critical role in the economic development of the Nations by providing various Socio-Economic activities like Job creation, wealth generation, Poverty eradication, entrepreneurial activity etc. Besides these activities, banks are introducing the practices of green banking in order to protect the environment and to reduce carbon emission. Green Banking means promoting environmental-friendly practices and reducing your carbon footprint from our banking activities. Green banking will be mutually beneficial to the Consumers, banks, industries and the economy. For women entrepreneurs this shift towards green banking means that more deposit and loan products will be available through online and mobile banking. It also means better deposit rates on CDs, money market accounts and savings accounts. Green banks should also have lower fees and give rate reductions on loans going towards energy-efficient projects. This is banking beyond pure profit. Another important

aspect of green banking is the involvement and outreach from the individual banks to their local community.

### **Meaning For Women Entrepreneurship & Green Banking**

**Green Banking** is an umbrella term banks sustainable in economic environment and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment.

**Women entrepreneurship** may be defined as “women achieving economic independency and generates employment opportunities to others by running an enterprise”.

### **Green Banking Financial Products**

**Green Loans:** means giving loans to a project or business that is considered environmentally sustainable.

**Green Mortgages:** Banks offer green mortgage with better rates or terms for energy efficient houses. The savings in monthly energy bills can offset the higher monthly mortgage payments and save money in the long run.

**Green Credit Cards:** These cards offer an excellent incentive for customers to use their green card for their expensive purchases.

**Green Deposits:** Banks offer higher rates on commercial deposits, money market accounts, checking a/c and savings a/c if customers opt to conduct their banking activities online.

**Green Reward Checking Accounts:** Customers can earn higher checking account rates if they meet monthly requirements that might include receiving electronic statements, paying bills online or using a debit or check card.

**Green Saving Accounts:** In case of Green Saving Accounts, banks make donations on the basis of savings done by customers'. The more they save, the more the environment benefits in form of contributions or donations done by banks.

**Mobile banking and online banking:** These new age banking forms include less paperwork, less mail, and less travel to branch offices by bank customers, all of which has a positive impact on the environment.

### **Review of Literature**

Schmidheiny and Zorraquin (1996), “Green banking is generally defined as promoting environmentally friendly practices that aid customers in reducing their carbon footprint through their banking operation activities. These practices include such things as online banking, statements, bill payments, and account opening. Banks also invest in internal initiatives to reduce their own carbon footprint”.

Dharwal, Mridul and Agarwal, Ankur (2011), in research article on “Green Banking: An Innovative initiative for Sustainable Development” concluded that Indian banks

need to be made fully aware of the environmental and social guidelines to which banks worldwide are agreeing to. As far as green banking is concerned, Indian banks are far behind their counterparts from developed countries. If Indian banks desire to enter global markets, it is important that they recognize their environmental and social responsibilities.

### Statement of the Problem

Indian Banks introduced Green Banking services since 1996. As the use of Green Banking services are increasing day –by-day, it is important to study the women entrepreneurs awareness towards Green Banking services in Chennai. This study is one of such an attempt.

### Objective of the Study

- To measure the women entrepreneurs perception regarding services rendered by Indian Bank in Chennai.
- To analyze the age group of women entrepreneurs using Green Banking facilities.
- To study of marketing strategies of Green Banking services by Indian Bank.
- To trace the growth and development of Green Banking in India and Indian bank in particular.

### Research Methodology

The research methodology used in this study is based on primary as well as secondary data. The primary data was collected from the study conducted through questionnaire. Secondary data has been collected from Websites of Indian banks and the published and unpublished documents of the bank are also to be referred.

### Sampling Method & Tools Used

Stratified random sampling technique has been planned. The sample size includes 150 women entrepreneurs of the bank to be selected. The following statistical tools have been used for the purpose of analyzing data collected.\* **Percentage Analysis** \*  
**Chi – square Test,**

### Data Analysis and Interpretation

#### Age of Respondents (Percentage Analysis)

Criteria	No. of respondents	% of respondents
Below 25	10	7
25-35	40	27
35-45	50	33
45-55	30	20
Above55	20	13
<b>Total</b>	<b>150</b>	<b>100</b>

## Interpretation

From the above table 1 show the age wise under women entrepreneurs of Indian Bank under the study 33% of the respondents belong to the age group of 35-45, 27% of the respondents belong to the age group of 25-35, 20% of the respondents belong to the age group 45- 55 and 13% of the respondents belong to the age group of above 55, 10% of the respondents belong to the age group of below 25 respectively.

## Women Entrepreneurs Awareness about Green Banking

Criteria	No. of respondents	% of respondents
Yes	128	85%
No	22	15%
<b>Total</b>	<b>150</b>	<b>100</b>

**Source:** Primary Data

## Interpretation

It is inferred from the table 2 that 85% of the respondents are aware of the Green Banking services provided by their bank and 15% of the respondents are not aware of the Green Banking services provided by their bank.

## CHI-Square Analysis: Hypothesis

H<sub>0</sub>: There is no relationship between age of women entrepreneurs and awareness of Green Banking.

H<sub>1</sub>: There is a relationship between age of women entrepreneurs and awareness of Green Banking.

Awareness of Green Banking	Age of Women Entrepreneurs										Total	
	Below 25 %	25-35 %	35-45 %	45-55 %	Above 55 %							
Yes	8	5%	35	23%	43	29%	25	17%	17	11%	128	85%
No	2	1%	5	3%	7	5%	5	3%	3	7%	22	15%
Total	10	6%	40	26%	50	34%	30	20%	20	18	150	100

**Source:** Primary Data

## Interpretation

5 cells (50.0%) have expected N less than 5. The minimum expected N is 1.26. Since the p value (662.5) is greater than the table value (0.05). Therefore, this test shows that there is relationship between the age of women entrepreneurs and their awareness of Green Banking. (Chi – square = 9.42, p = 662.5). H<sub>1</sub> Therefore is accepted.

## Findings of the Study

- 33% of the respondents fall in the age group of 35-45

- Among the respondents, 96% of the respondents avail Net Banking services.
- Majority of the respondents 96% are aware about Green Banking
- There is no relationship between age of women entrepreneurs and usage of Green Banking.
- There is no significant difference in the convenience, cost, feature availability, risk privacy of using Green Banking with regard to age of women entrepreneurs.

### Suggestions

- Bankers may educate the women entrepreneurs with Green Banking initiatives such as Green Channel Counter 67%, Green Loans 50 %, Green Checking & Energy-efficient branches and loans 33% etc.
- Reward or incentive can be given to the users of green banking.
- Conducting Workshops, Seminars, loan mellas to the bank employees as well as to women entrepreneurs
- Personal Identification Number (PIN)/ Password to be kept secret.
- Awareness green banking to bring illiterate people under the scope.

### Conclusion

Banks are responsible corporate citizens. Banks believe that every small 'GREEN' step taken today would go a long way in building a greener future and that each one of them can work towards to better global environment. 'Go Green' is an organization wide initiative that moving banks, their processes and their women entrepreneurs to cost efficient automated channels to build awareness and consciousness of environment, nation and society. From the above research we can see that green initiatives like Green Mortgages, E – Investment services, Conducting workshops and seminars for green banking, Providing recyclable debit and credit cards is not familiar in Green initiatives by the bank as per the respondents.

This concept of "Green Banking" will be mutually beneficial to the banks, industries and the economy. Not only "Green Banking" will ensure the greening of the industries but it will also facilitate in improving the asset quality of the banks in future.

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## **DEVELOPMENT OF SMALL & MEDIUM ENTERPRISES AND ITS ROLE IN ECONOMIC GROWTH OF INDIA**

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### **Abstract**

*Small and Medium Enterprises constitute the backbone of an economy in maintaining an appreciable growth rate and in generating employment opportunities. This sector has been regarded as engine of economic growth and social development in many developed and developing countries. Contribution of SMEs to the Indian economy in terms of employment generation, containing regional disparities, fostering equitable economic growth and enhancing export potential of the country has been quite phenomenal. Despite some infrastructural deficiencies and challenges like flow of institutional credit and inadequate market linkages, this sector has registered remarkable success with regard to increase in number, quantum of investment, scale of production and overall contribution to national GDP. The study makes an attempt to focus on the huge growth potential and opportunities available in India for development of SME sector, to identify the development of small & medium enterprises and its role in economic growth of India.*

### **Introduction**

Small and Medium Enterprises (SMEs) in India and abroad have demonstrated considerable strength and resilience in maintaining a consistent rate of growth and employment generation during the global recession and economic slowdown. Indian economy during the recent years has shown an appreciable growth performance by contributing to creation of livelihood opportunities to millions of people, in enhancing the export potential and in increasing the overall economic growth of the country. Prompt and appropriate fiscal stimulus, effective monetary policy and huge capital inflows were greatly instrumental in the bounce back situation of the economy.

As a catalyst for socio-economic transformation of the country, the SME sector is extremely crucial in addressing the national objectives of bridging the rural-urban divide, reducing poverty and generating employment to the teeming millions. It is therefore, essential that India adopts a suitable policy frame work that provides the required impetus to seize the opportunities and create an enabling business environment in order to keep the momentum of growth and holistic development .It is equally important that the SME sector must address the infrastructural deficiencies and is well empowered to meet the emerging challenges for its sustainable growth and survival in a globally competitive order.

In developed countries, SME growth depends on the business cycles. When the economy is booming the number of new firms is larger than the number of dying firms. However, in emerging markets SME growth depends on crisis cycles.

### **SMES-An Indian Perspective**

Small and Medium Enterprises in India offer a heterogeneous and varied nature of fabric in terms of the size and structure of the units, variety of products and services, scale of production and application of technology. These enterprises are quite complementary to the large scale industries as ancillary units. They contribute to the socio-economic development of the country quite significantly. The SMEs in India constitute about 80% of the total number of industries and produce about 8,000 value added products. An appropriate definition of Small and Medium Enterprises and their proper classification in a national or international context offers a varied perspective. The term 'SME' is normally used to describe small industrial or business units in private sector. SMEs have been classified differently in different contexts in terms of their nature of assets and scale of production etc. while others have defined those units in term of employment generation, shareholder funds, scale of investment or sale of products etc. The definition according to the World Bank is that, a business classified as SMEs when it meets two of the three criteria – employee strength, size of assets or annual sales.

<b>Table 1.1 : Classification of SMEs according to three criteria – employee strength, size of assets or annual sales</b>			
Medium	<300	<USD 15 Million <INR 750 Million	<USD 15 Million <INR 750 Million
Small	<50	<USD 3 Million <INR 150 Million	<USD 3 Million <INR 150 Million

**Source:** International Finance Corporation (IFC) World Bank

### **Concept of SME in India**

The Micro, Small and Medium Enterprises Development (MSMED) Act 2006 facilitates the development of the enterprises and enhance their competitiveness. In accordance with the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act 2006, the Micro, Small & Medium Enterprises (MSME) are classified into manufacturing enterprises and service enterprises:

- **Manufacturing Enterprises:** The enterprises engaged in the manufacture or production of goods. The manufacturing Enterprises are defined in terms of investment in Plant & Machinery.
- **Service Enterprises:** The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

The investment limits of the enterprises are shown in the table given below:

**Table 1.2 Classification of SMEs (according to micro, small and medium enterprises development act)**

Types of Enterprise	Engaged in manufacture Or production of goods.	Engaged in providing or rendering of services
	Investment in plant and machinery	Investment in equipment
Micro	Under INR 25 Lakh	Under INR 10 lakh
Small	INR 25 Lakh to INR 5 Crore	INR 10 lakh to INR 2 Crore
Medium	INR 5 Crore to INR 10 Crore	INR 2 Crore to INR 5 Crore

**Source:** Ministry of Micro, Small and Medium Enterprise, Annual Report, 2013-2014 as on 15<sup>th</sup> June 2015.

### Contribution of SME towards Indian Economy

The SME sector accounted for more than 17 percent of the GDP in 2014 while contributing to 45 percent of the nation's industrial output and 40 percent of the total exports. The SMEs in India add over 1.3 million jobs per year. With the onset of e-commerce, SMEs have achieved significant advantages such as increased revenues and margins, improved market reach, access to new markets, cost savings in marketing and communication, customer acquisition and improved customer experience. The Indian economy thrives through the process of creation of enterprises. The MSME's have contributing to expansion of entrepreneurial culture through business innovations, the MSME's are widely dispersed across sectors of the economy, producing diverse range of products and services to meet demands of local as well as global markets, the contribution of MSME's GDP is 6%, 33% in manufacturing sector and 45% in exports. It shows the valuable contribution that the MSME sector is making in the economy both in terms of manufacturing and services.

**Table 1.3: Share of MSME sector in GDP and total manufacturing output**

Manufacturing output at current price			Share of MSME GVA to GVA/ GDP at constant price for base year 2011-12 (%)					
Year	MSME manufacturing output 1 (Rs in crore)	Share of MSME Manufacturing output in total manufacturing output (%)	Manufacturing sector		Services Sector		Total	
			In GVA	In GDP	In GVA	In GDP	In GVA	In GDP
11-12	2167110	33.12	6.64	6.16	25.66	23.81	32.29	29.97
12-13	2385248	33.22	6.77	6.27	26.05	24.13	32.89	30.40
13-14	2653329	33.27	6.79	6.27	26.40	24.37	33.19	30.64
14-15	2783433	33.40	6.63	6.11	26.72	24.63	33.34	30.74

**Source:** Ministry of Micro, Small and Medium Enterprise, Annual Report, 2016-2017

### Khadi Sector

Khadi activity is considered as potential tool for creation of employment opportunities at the doorsteps of rural artisans at very low capital investment. Khadi production and sales have grown consistently over the past five years which are as follows:

S.No	Industry	2013-14	2014-15	% Increase	2015-16	% Increase
I	<b>Production</b>					
A	Khadi	811.08	879.98	8.49	1065.60	21.09
B	Village	25298	26689	5.50	33424.62	25.24
II	<b>Sales</b>					
A	Khadi	1081.04	1170.38	8.26	1510.00	29.02
B	Village	30073.16	31965	6.29	40384.56	26.34
III	<b>Employment</b>					
A	Khadi	10.98	11.06	0.73	11.07	0.1
B	Village	119.40	123.19	3.17	126.76	2.90

**Source:** Ministry of Micro, Small and Medium Enterprise, Annual Report, 2016-2017

### Production and sale in 2016-17 (upto 31.12.2016) Rs. In crore

Industry	Production	Sales
Khadi	1030	1263.57
Village industry	7475.40	9344.25

### Coir industry

Coir industry is an agro based traditional industry which originated in the state of Kerala and proliferated to the other coconut producing states like Tamil Nadu, Karnataka, Andhra Pradesh, Odisha, West Bengal, Maharashtra, Assam and Tripura etc.

Year	Quantity (MTs)	Value (Rs in lakhs)
2011-12	410853.90	105262.54
2012-13	429500.92	111602.74
2013-14	537040.38	147603.84
2014-15	626666.00	147603.84
2015-16	752020.00	190142.52
2016-17 (uptodec, 2016)	587114.00	137024.77

**Source:** Ministry of Micro, Small and Medium Enterprise, Annual Report, 2016-2017

According to latest WTO estimates, world trade will grow more slowly than expected in 2016, expanding by just 1.7 per cent, well below the April forecast of 2.8 per cent. The forecast for 2017 has also been revised, with trade now expected to grow between 1.8 per cent and 3.1 per cent, down from 3.6 per cent previously. With expected global GDP growth of 2.2 per cent in 2016, this year would mark the slowest

pace of trade and output growth since the financial crisis of 2009. Table 2.1 shows estimates of growth for different economies around the world.

**Table 1.4: World Economic Growth Estimates for 2015 – 2018  
(Annual percentage change)**

Category	UN			IMF			World Bank			
	2015 a	2016 b	2017 b	2015 5	2016 6	2017 7	2015 5	2016 e	2017 f	2018 f
World	2.4	2.4	2.8	3.2	3.1	3.4	2.7	2.3	2.7	2.9
Developed economies/Advanced Economies/High Income	1.9	1.8	1.9	2.1	1.6	1.8	2.1	1.6	1.8	1.8
Euro Area	1.9	1.9	2	2	1.7	1.5	2.0	1.6	1.5	1.4
US	2.4	2.2	2.5	2.6	1.6	2.2	2.6	1.6	2.2*	2.1*
Japan	0.5	0.5	0.5	0.5	0.5	0.6	1.2	1.0	0.9	0.8
Developing Countries/EMDEs	3.8	3.8	4.4	4	4.2	4.6	3.5	3.4	4.2	4.6
Latin America and Caribbean (LAC)	-0.6	-0.6	1.5	0	-0.6	1.6	-0.6	-1.4	1.2	2.3
Brazil	-3.8	-3.4	0.2	-3.8	-3.3	0.5	-3.8	3.4	0.5	1.8
Russia	3.8	3.8	4.4	-3.7	-0.8	1.1	-3.7	-0.6	1.5	1.7
<b>India</b>	<b>7.3</b>	<b>7.3</b>	<b>7.5</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>7.0</b>	<b>7.6</b>	<b>7.8</b>
china	6.9	6.4	6.5	6.9	6.6	6.2	6.9	6.7	6.5	6.3

**Source:** UN, World Economic Situation and Prospects, 2016, Update as of mid-2016; IMF, World Economic Outlook, October 2016; World Bank, Global Economic Prospects, January 2017.

**(Note: UN:** a Partly estimated, b Forecast based in part on Project LINK; **IMF:** For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year; **World Bank:** Notes, e = estimate; f = forecast.)

## Conclusion

Currently, there are approximately 48 million SMEs operating in India and the sector employs around 40 percent of the country's labour. A large portion of the employment generated by SMEs is in the manufacturing and services sectors which are growing at impressive rates of 18 percent and 34 percent year on year respectively. SMEs contribution of 17 percent to India's GDP is much lower when compared to other major economies. It is expected to increase by 22 percent by year 2020.

## **STRATEGY DEVELOPMENT BY SMEs FOR COMPETITIVENESS**

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### **Abstract**

*SMEs are considered as engine for economic growth all over the world. After the globalization of market, SMEs have got many opportunities to work in integration with large- scale organisations. They cannot exploit these opportunities and sustain their competitiveness if they focus only on certain aspects of their functioning and work in isolation. SMEs have not given due attention for developing their effective strategies in the past. They are localized in functioning. On export fronts SMEs face many constraints due to lack of resources and poor innovative capabilities. For sustaining their competitiveness, they have to benchmark their assets, processes, and performance with respect to the best in industry. This paper tries to identify the major areas of strategy development by SMEs for improving competitiveness of SMEs in globalised market.*

### **Introduction**

SMEs are considered backbone of economic growth in all countries. They contribute in providing job opportunities, act as supplier of goods and services to large organisations. SMEs are defined by number of factors and criteria, such as location, size, age, structure, organisation, number of employees, sales volume, worth of assets, ownership through innovation and technology. Majority of SMEs have simple systems and procedures, which allows flexibility, immediate feedback, short decision making chain, better understanding and quicker response to customer needs than large organisations. In spite of these supporting characteristics of SMEs, they are on tremendous pressure to sustain their competitiveness in domestic as well as global markets. Owing to global competition, technological advances and changing needs of consumers, competitive paradigms are continuously changing. These changes are driving firms to compete, simultaneously along different dimensions such as design, development of product, manufacturing, distribution, communication, and marketing.

### **Strategic Objective**

The realisation of the strategy should facilitate the achievement of the following strategic objectives:

- Improvement of the business environment.
- Improvement of financial support.

- Strengthening of SME competitiveness and promoting entrepreneurship.
- Support for beginners in business- start-ups.

### **Vision**

A developed market economy with a competitive SME sector which accepts the concept of development of an entrepreneurial economy based on knowledge, innovation and modernised technological capacities, which will contribute to the creation of an entrepreneurial society in Montenegro.

### **Overview of Indian MSMEs**

Micro small medium enterprise (MSMEs) constitute over 90% of total enterprises in most of the economics and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In India too, the MSMEs play a pivotal role in the overall industrial economy of the country. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession.

### **Opportunities for MSMEs in India**

Government of India has developed key strategies to promote and support the MSME sector to promote competitiveness, quality upgrading, finance, technology, etc... This has resulted in a dramatic positive change in the sector. Over the years, this sector in India has progressed from the production of simple consumer goods to the manufacture of many sophisticated and precision products like electronics control systems, micro wave components, electro medical equipment, etc... MSMEs in India are considered to be important members within the supply chain and are established in almost all major sectors in Indian industry such as:

1. Food processing
2. Agricultural inputs
3. Chemicals and pharmaceuticals
4. Engineering; Electricals; Electronics
5. Electro-medical equipment,
6. Textiles and garments,
7. Leather and leather goods,
8. Meat products,
9. Bio-engineering,
10. Sports goods,
11. Plastic products,
12. Computer software etc....

### **Key characteristics of Indian MSMEs**

Such as high contribution to domestic production, significant export earnings, low investment requirements, operational flexibility, location wise mobility, capacities to develop appropriate indigenous technology, import substitution, contribution towards defence production, technology- oriented industries, and competitiveness in domestic and export markets help them tap opportunities in various sectors.

### **Key challenges faced by Indian MSME sector**

Despite its strategic importance in any industrialization strategy, the opportunities that the Indian landscape presents and its immense potential for employment generation the MSME sector confronts several challenges. They face problems at every stage of their operation, whether it is buying of raw materials, manufacture of products, marketing of products or raising of finance. Some of the challenges Indian MSMEs face have been briefly discussed below:

1. High cost of credit
2. Collateral requirements
3. Limited access to equity capital
4. Problems in supply to government departments and agencies
5. Procurement of raw materials at a competitive cost
6. Problems of storage, designing, packaging and product display
7. Lack of access to global markets
8. Inadequate infrastructure facilities, including power, water, roads etc...
9. Absence of a suitable mechanism Branding and marketing
10. Branding and marketing
11. Low technology levels and lack of access to modern technology
12. Lack of skilled manpower manufacturing, services, marketing etc...

### **Financing options for SMEs**

1. Financing through banks
2. Rating SMEs
3. Working capital
4. Risk capital
5. Venture capital/private equity,
6. SME exchange
7. Export lines of credit
8. Hedging instruments.

## **Impact of GST on SMEs**

### **Positive impacts**

Starting business becomes easier, Improved MSME market expansion, Lower logistical overheads, Aids MSMEs dealing in sales and services, Unified market, Purpose of capital goods.

### **Negative impacts**

The burden of lower threshold, No tax differentiation for luxury items and services, Selective tax levying, The burden of higher tax rate for service provider, Excess working capital requirement, Realignment of purchase and supply chain, Dual control.

### **Challenges for SMEs by GST**

A size able portion of SMEs are of the opinion that GST is not all good for the sector and their fears may not be totally vacuous. The tax neutrality that the SMEs enjoy may be one of the prominent benefits. However, reduction in duty threshold is one of the key concerns that has led them to be wary of the GST bill. Under the existing excise tax, no duty is paid by a manufacturer having a turnover of less than rupees 1.50crores. But, post GST implementation, the exemption limit will get significantly lowered. During a speech at a news conference, finance minister, Arunjaitley estimate said, the limit can be as low as rupees 25lakhs. As a result, a large number of SMEs and start-ups will be mandated to come under the tax net and will have to pay a large chunk of their earnings towards tax. Furthermore, there are other flip- sides to the proposed tax neutrality. GST regime won't differentiate between luxury goods and normal goods; this will hard for the SMEs to compete against large enterprises. GST that is ultimately levied on supply will not be available for input credits. This will lead to an increase in the cost of the products for businesses that supply directly to end users.

### **Latest news about SMEs: 23 Small and Medium Enterprises in waiting to launch IPO**

As many as 23 SMEs have lined up their initial public offers (IPO) to fund business expansion and meet working capital requirements. These companies, which are planning to list on. BSE's SME platform, are expected to float IPOs in the coming months. The exchange his already given go ahead to 10 SMEs, while 13 have filed their draft offer documents with BSE and are awaiting its approval, the bourse said in a statement. Listing will help these companies to enter capital markets and finally to graduate on to the main board. BSE MD and CEO Ashishkumar Chauhan, last week said that exchange expects 30 IPOs on its SME platform in the next three months.

### **Suggestions for Improvements**

Supply of technology, Conduct of survey, Awareness creation, Involvement of stakeholders, Venture capital interaction with research and development sector, Incrimination vehicle.

## Conclusion

In India SMEs has achieved steady growth over the last couple of years. The role of SMEs in the industrial sector is growing rapidly and they have become a thrust area for future growth. The Indian market is growing and the Indian industry is making rapid progress in various industries like manufacturing, food processing, textile and garments, retail, precision engineering, agro and service sectors. Under the changing economic scenario the SMEs have both the opportunities and challenges before them.

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## **EMPOWERING WOMEN THROUGH ENTREPRENEURSHIP: A CASE STUDY ON Mrs.PRIYA GOPINATH**

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### **Abstract**

Women are regarded as better half of the society. In traditional Indian societies, they were confined to four walls. In modern society, they come out of four walls to participate in all types of activities including entrepreneurship. In India empowering women through entrepreneurship has become an integral part of our development efforts because of 3 important reasons viz. Women development, Economic growth and Social stability.

**Keywords:** Women-empowerment, Entrepreneurship, Socio-economic development, Family Stability, Parlor-buisness.

### **Introduction**

Women have been regarded as the nuclei of nation and builder and molder of its destiny. It is fact that, when there is development of women, family develops, the society develops and the country develops'. They are the catalyst of development and with them we prosper, but without them we are poor. Time went out when Indian women are confined to four walls of their homes with their immense strength and potential. Now they are the important part of economic development. In our country with such a huge population and problems of unemployment, women entrepreneurship happens to be one of the best tool for women empowerment. The women entrepreneurs need not to be highly educated. It is sufficient that they possess basic knowledge of language and entrepreneurial skills. As women have to fulfill dual roles, entrepreneurship is a more suitable profession than regular employment either in public or private sector. Today's women must supplement the family income using their potential and skills that they possess. Her skills and competencies may be sharpened and turned by way of training. Thus, women in India, no longer need to wait for employment outside home. They can successfully start their enterprise and earn their livelihood.

### **Objectives**

#### **1. Promote women entrepreneurship**

Women entrepreneurship must be promoted all over the nation including the rural areas for continues development in the economy of the nation. There are still many women who are suppressed, mostly in the rural areas; from getting away from 4

walls to the outside world. So, there is huge responsibility for us to promote women entrepreneurship.

## **2. Financial support**

Women are not trusted a lot to start a business or to handover a family business to her. We must encourage our daughter or sister via. Financial support, for starting a business. All humans grabs the same knowledge as men does; so, women can archive a lot more than men does.

## **3. Bank loans**

We must study the financial support by way of bank loans for women entrepreneurs. Banks must increase the rate of Bank loans for women.

## **Motivating Factors**

### **1. Materialize their idea into money**

Every entrepreneur has a dream to materialize their idea into money.

They have been planning this idea for years and it's possible with some sort of money they invest in their business.

### **2. Prove their standards among their male family members**

Some women have a male-dominated family like father, brothers and husband; so, to prove them that they are greater than them in all aspects. They start a business of their own. This helps them in earning more money from business when compared to their male family members.

### **3. Establish their own rules for their work**

Many women who work in corporate has certain rules and regulations to be followed as per the company differs. Some things like wearing western clothing as sales representative, working in night shift in I.T. sectors etc, Whereas while it comes to own business they have the freedom to establish thier own rules for thier work. They can take leave at any time they wish.

### **4. Empowerment and freedom**

Women are now free to do things on their own. They do not need to depend on a man for their needs. They have their own company and profit to fulfill their needs. This little change in society empowers a women for economic equity and development.

## **Challenges faced by women entrepreneurs**

### **1. Limited funding**

Finance is regarded as "life-blood" for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts. Women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited.

## 2. Male dominated society

Male chauvinism is still the order of the day in India. The Constitution of India speaks of equality between sexes. But, in practice, women are looked upon as abla, i.e. weak in all respects. Women suffer from male reservations about a women's role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This, in turn, serves as a barrier to women entry into business.

## 3. Family ties

In India, it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business.

Support and approval of husbands seem necessary condition for women's entry into business. Accordingly, the educational level and family background of husbands positively influence women's entry into business activities.

## 4. Male competitors

To enter a field which has been dominated by males, is a daunting task for women. Men have also ruled over the marketing zone for many years which is why women find themselves lagging behind in this area. They have to rely on middlemen and outsource these tasks to capture bigger markets which eat up a major chunk of their profits.

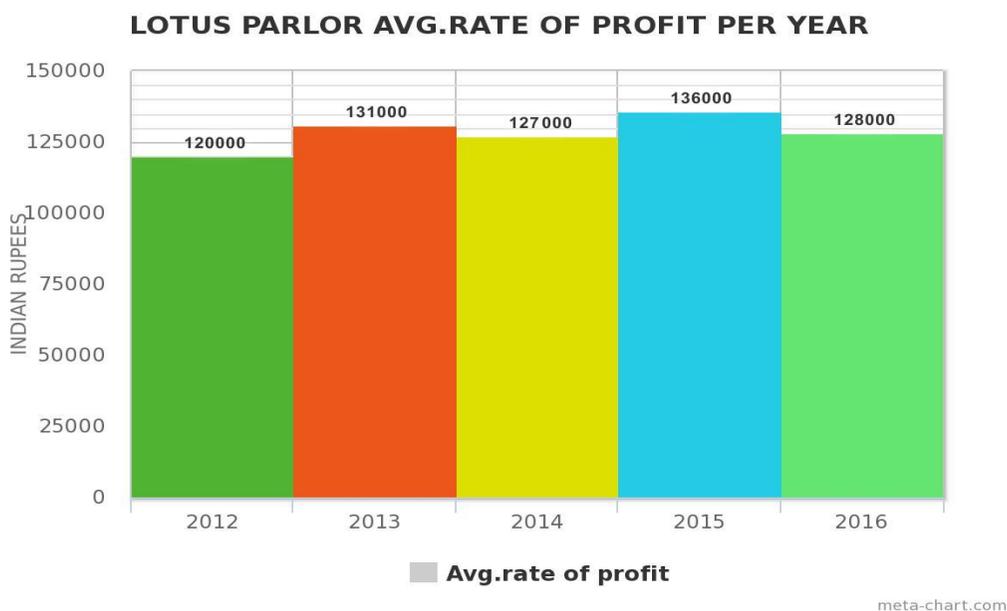
## Research Methodology

Beauty parlors are playing important role in today's fashion. They also help women in income generation and make them economically independent. Women also add to family's income and improve living standard of their family. The number of women entrepreneurs in this sector is increasing day by day. Present study is based on primary data. Personal interview about Mrs.Priya Gopinath who is running Lotus beauty parlor and her annual rate of profit for the past 5 years is my research.

## A Case Study about Mrs.Priya Gopinath, Lotus Parlor

Mrs.Priya Gopinath, aged 34 from Theni, Madurai; comes from a lower middle class. Her father passed away when she was graduating from +1 and her mother is a private school teacher. Priya has a younger brother, Harikumar, sales executive in a corporate company. Priya is basically a BBA graduate and has a work experience of 3 years under a corporate company. After getting fed up with her corporate life, Priya started her own Parlor, named "Lotus Parlor" in Mar 2008 with a bank loan, having her father's land in hand. Priya was married in 2010 to Mr.Gopinath, Manager in a company. Priya has a son doing his K.G.

Priya's family gave her a full support behind her business. Priya went for a parlor course before opening the parlor. Now she has a team of 4 ladies to manage the parlor. Priya was ethically keen on appointing only women. She has 3 beauticians and a domestic worker. Priya says "there is huge competition in this business." Priya has a marketing strategy of serving parlor services in valuable rates, so that she has a frequent customer basis. She says that she could get a profit of 60% apart from the labor salaries, current and other expenses. Here is the average annual rate of profit of Lotus Parlor,



### Findings and Suggestions

In present study it is found that this enterprise is appropriate for those women entrepreneurs who are having problem to outside home due to family responsibility or their culture. They can start this venture inside their home. There is no boundation of caste or marital or age on these entrepreneurs. The reason may be that they have to deal female customers. No basic professional education is needed for this enterprise. Anyone who is able to read and write can do diploma or degree courses for starting this venture. This enterprise can be started with minimum expenditure and which can be expended later on. It is find that as age increases exposure and expertise in the field increases which in turn increases further investment and profit. Thus we can see how this venture can be used as important tool for empowering women. The suggestions after doing this analysis were as such women can be motivated towards this enterprise by providing financial support lie loan on low interest, training programme at minimum or no fees charged, organized by government, seminars and conferences for these entrepreneurs can be organized for literate group, interaction with successful

entrepreneurs of this field, policies should be made for empowering women in this field and there should be a common forum between entrepreneurs running this venture in different reasons where their experiences. This will help in updating their knowledge.

## Conclusion

There is no boundation of caste or marital or age on these entrepreneurs. The reason may be that they have to deal female customers. No basic professional education is needed for this enterprise. Anyone who is able to read and write can do diploma or degree courses for starting this venture. This enterprise can be started with minimum expenditure and which can be expended later on. It is find that as age increases exposure and expertise in the field increases which in turn increases further investment and profit. From above discussion it is clear that women entrepreneurs in this enterprise are having good scope to develop. They can earn good amount after doing diploma or certificate courses. In starting they can invest small amount and letter they can invest more from their profit. As their experience increases with age their investment increases which in turn increases rate of return on investment.

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## **WOMEN ENTREPRENEURSHIP IN MICRO, SMALL AND MEDIUM- SCALE ENTERPRISES IN AKWA IBOM STATE**

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### **Abstract**

*Despite challenges, women in Akwa Ibom State have contributed meaningfully to poverty reduction and economic development of the state. Women entrepreneurs are engaged in different sectors of the economy. About 37% are in agriculture, 26.8% in trade, 18.5% in service and 4.8% in entertainment. This calls for strategic support from government, private organizations and individuals to enable women perform optimally and contribute more to the economic development of Akwa Ibom State*

**Keywords:** Women Entrepreneurship, Micro, Small and Medium – scale Enterprises, Akwa Ibom State

### **Introduction**

There is no doubt whatsoever that the micro, small and medium – scale enterprise constitute the real fabric of a nation's economy. In spite of the enormous importance of this sector to the national economy with regards to job creation and the alleviation of abject poverty among impoverished women in Nigeria, the degree of attention and strategic support provided to the sector is inadequate. In Nigeria, women constitute more than 50% of the Nigerian population and out of this; only about 35% of them are involved in entrepreneurship which can be under the form of micro, Small, medium and large enterprises.

A recent publication by the Global Partnership for Financial Inclusion highlights that in developed countries. Women are starting business at a faster rate than men, and are making significant contribution to job creation and economic growth. The same is true of transition economies, although the comparable rate of growth is slower. Today women own nearly 30% of all business, 50% of all retail business, and 10% of all service companies.

### **Definition**

**Entrepreneurship:** Entrepreneurship may be defined as the ability to use the factors of production – land, labour and capital – to produce new goods and service. Entrepreneurship may also be defined as managerial process of organizing, operating and assuming the risk of a new business venture.

**MSME (Micro, Small and Medium Enterprises):** The first difficulty in discussing MSME is one of definition. The working definition varies among countries, industrial group and

from one financial institution to another. Generally, in determining what should be a micro, small or medium – scale business, many different criteria have been used: number of employees, assets value, sales volume, financial strength, number of location, relative size and so on.

### **According to European Union (EU) 1992 classification MSMEs were as follow**

1. Micro enterprises - firms with 0-9 employees
2. Small enterprises - firms with 10-99 employees
3. Medium enterprises - firms with 100-499 employees

### **African Entrepreneurship and Leadership Initiative (AELI) Classification of industry (2008) in as follow**

S/N	Classification	Total cost (Excluding cost of land)	Number of employees
1.	Micro/cottage industry	1.5-3.0million	1-30
2.	Small-scale enterprises	30.0-60.0million	31-150
3.,	Medium-scale enterprises	60.0-250.0million	151-350
4.	Large-scale enterprises	250.0million	Over 350

Statement of the problem: Women formed more than half (50.72%) of the population of Akwa Ibom state. But they have not been utilized well to contribute meaningfully for the economic development of the state. One of the reasons might be the problems of women entrepreneurs in MSMEs. This is supported by empirical evidence.

### **Methodology**

In this study, survey research design was adopted. Data was gathered from 400 small business and enterprises selected from the three senatorial districts of Akwa Ibom state. The collection of data was done using structured questionnaires, personal interview and observations. The 400 small business and enterprises were managed by women entrepreneurs selected randomly from the three senatorial districts (Uyo, Ikot Ekpene and Eket) of Akwa Ibom state.

### **Business sectors and number of women of entrepreneurs (n=400)**

S/N	Business sectors	Number of women entrepreneurs	Percent (%)
1.	Agriculture	148	37
2.	Trade	107	26.8
3.	Service	74	18.5
4	Hand-craft	52	13.0
5.	Entertainment	19	4.8
	Total	400	

**Weight means and ranking of the contribution of women entrepreneurs to poverty reduction and economic development in Akwa Ibom state**

S/N	Contributions of women entrepreneurs to poverty reduction and economic development	Skilled Women entrepreneurs Means Ranking	Unskilled Women entrepreneurs Means Ranking
1.	Improved family income	3.7 2	3.6 2
2.	Improved standard of living	3.6 3	3.5 3
3.	More employment opportunities	3.1 7	3.1 7
4.	Improved family nutrition	3.2 6	3.2 6
5.	Increased gross domestic product	2.8 8	2.9 8
6.	Decrease in unemployment	3.3 5	3.3 5
7.	Availability of more goods and service	3.8 1	3.7 1
8.	Improved family health	3.5 4	3.4 4
9.	High level of patriotism	2.4 10	2.4 10
10.	Increased in internally generated	2.7 9	2.6 9

**Weight means and ranking of factors militating against the success of women entrepreneurs in Akwa Ibom state**

S/N	Factors that militate against the success of entrepreneurs in Akwa Ibom state	Skilled women Entrepreneurs Means Ranking	Unskilled women entrepreneurs Means Ranking
1.	Poor finance/start-up capital	3.9 1	3.6 1
2.	Cultural, religious	3.8 2	3.5 2
3.	Lack of entrepreneurial experience	3.3 6	3.2 5
4.	Poor education	2.7 8	2.6 9
5.	High level of competition	3.5 4	3.3 4
6.	Household chores	2.6 9	2.8 8
7.	Poor infrastructure	3.2 7	3.1 6
8.	Poor motivation	3.4 5	3.0 7
9.	Marketing problems	2.4 10	2.3 10
10.	Legal problems	3.6 3	3.4 3

**Discussion of Analysis**

From the analysis of business sectors that women entrepreneurs engaged it was shown that more women entrepreneurs are in agriculture business having 37% above other sectors. This can be attributed to the fact that agriculture plays a pivoted role in family support, employment/income generation. It requires little or no capital to start agribusiness.

**Conclusion**

The contribution of women of women to poverty reduction and economic development is well documented. Yet there exist several barriers to the full optimizing of women's economic potential especially in their entrepreneurial skills in MSMEs.