Woman Entrepreneurship Through SHGs in Tamil Nadu, India

Revathi Pandian, Dr. P.Raja
Assistant Professor,
Velammal Engineering
College Department of
Management Sciences
Chennai-600 066.
revathipandian@yahoo.com

Dr. N.Mahesh
Professor, Velammal
Engineering College
Department of
Management Sciences
Chennai-600 066.
maheshco@gmail.com

Abstract

Entrepreneurship development and income generating activities are a feasible solution for empowering women. It generates income and also provides flexible working hours according to the needs of homemakers. Economic independence is the need of the hour. Participation in income generating activities helps in the overall empowerment of women. Empowering women through education, ideas, consciousness, mobilization and participatory approach can enable them to take their own decisions, make them self-reliant and self-confident. Although women are taking on important positions in the business sector, they continue to face barriers to their entrepreneurial activities, compared to their male counterparts. Women still have to struggle with their traditional role in order to balance career and household responsibilities. They have to endure negative social value and cultural bias that lead to unfair perceptions about their ability to operate a business and legal constraints also limit the pursuit of economic independence by women.

Among the different states in India, Tamil Nadu state has been purposively selected for the present study. The data and information have been collected from the 500 women entrepreneurs by adopting random sampling technique through pre-tested, structured interview schedule through direct interview method. The primary data collected from respondents pertains to the year 2009-2010.

The majority of women entrepreneurs (52.80 per cent) belonged to the age group of 30-45 years followed by less than 30 years (41.80 per cent). Only 5.40 per cent of women were in the age group of 45 and above 45 years. The results indicated that about half of the entrepreneurs (50.40 per cent) have school education followed by under graduation (42.80 per cent). The post graduation and professionals accounted about only 2.60 per cent while illiterates were only 4.20 per cent.

The results showed that about 48 per cent of women entrepreneurs earned income in the range of Rs. 50000-1 lakh from their business followed by less than Rs. 50000(33.00 per cent). About 18 per cent of entrepreneurs earned the income in the range of Rs.1 lakh-150000 and only 0.4 per cent earned their income in the range of above 2.5 lakh.

It is clear that about 48 per cent of women entrepreneurs were involving in marketing followed by supplier (23.40 per cent). About 16.60 per cent of the women carried manufacturing activities while, only 12.00 per cent was involving in service sector activities. It is apparent that the enterprise base for majority of the entrepreneurs (60.40 per cent) was semi-urban followed by urban (37.60 per cent). Only two per cent of them, used metropolitan area as their enterprise base.

The regression analysis shows that the coefficient of multiple determination (R2 ) is 0.66 indicating the regression model is moderately fit. The independent variables of My past experience strengthens and develops network, Correct business location contributed to my success, I take measures to protect the environment as I grow, As I gain more experience I commit less mistakes and Orientation and training assisted me to run my business are statistically significant at one per cent level of significance and these variables are positively influencing the business income of the women entrepreneurs.

The factors Capital planning at each stage helped me to develop and Infrastructure facilities provided by the Government has led to development of the business are also statistically significant at one per cent level of significance but, these factors are negatively influencing the business income of women entrepreneurs through self-help groups.

The factor analysis indicates that there are six independent groups of dimensions were extracted which account for a total of 65.25 per cent of variations on the 21 dimensions. The each of six factors
contribute 15.58 per cent, 11.53 per cent, 10.01 per cent, 9.72 per cent, 9.21 per cent, and 9.20 per cent respectively and these factor are grouped as market constraints, institutional constraints, planning constraints, uncertainty constraints, policy constraints and information constraints.

Entrepreneurial development should not be left to chance, as is the practice now. The training programmes should include identification and selection of potential entrepreneurs, and their motivation into entrepreneurial career through provision training and other inputs necessary to set up entrepreneurial units. The growth of women entrepreneurs should be encouraged by providing special incentives, tax concessions, reduced rate of interest, transport and fuel subsidies. For creating a healthy entrepreneurial environment, they should also be given orientation about the various tools and techniques of accounting and finance.

Lack of coordination among the institutions in providing power, water, communication and finance seriously hinder the growth of women entrepreneurship. To improve this situation, the proper coordination mechanism and monitoring system should be formulated and implemented.