

A study on socio economic profile of women entrepreneurs in informal sector in Salem city

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Abstract:

Women entrepreneurship is witnessing a drastic development in recent decades. To empower themselves economically women are focusing in entrepreneurship predominantly in informal sector. There are so many reasons for choosing the informal sector. This study is conducted among the women owned informal businesses of Salem city, to study their socio economic profile of the entrepreneurs and the force behind their choice of business.

Keywords: entrepreneurship, Salem, Women, informal, City.

INTRODUCTION

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and manage a business enterprise. The Government of India has defined women entrepreneurs as an enterprise owned and controlled by women having 51 percentage of capital contribution. Our society is defined money making is the duty of male and managing the household affairs is the duty of female, so from long ago women knows well about the financial management and personnel management, simply the place where they are managing is the only difference. The reasons behind women entrepreneurship can be defined as pull and push factors. The force of family compulsion and responsibilities are pushing the female to take entrepreneurship unintentionally is called as push factors. The thrust of financial independence the urge of power is also motivating female to choose entrepreneurship, these kinds of reasons are pulling them towards entrepreneurship (M.Janarthanan, 2016). Creating an enterprise is

almost like giving birth to a child, it involves lot patience, pain and possessions in this perspective female are inherently gifted with the traits of entrepreneurship.

In India women are active players in informal sector (Mbeche, 2002). The term informal sector was first used by the International Labor Organization (ILO) to represent a wide range of small and unregistered economic activities. The informal sector may be defined as those establishments that employ less than 10 persons with or without use of power. The informal sector consists of all activities that are not registered, taxed, licensed, statistically documented, (Thomas, 1988). ILO defines informal sector as “enterprises with a small scale of operation, family ownership, laborintensive units, adaptive technology and operating in unregulated and competitive markets”. The National Commission on Enterprises in Unorganized Sector (NCEUS) defines the informal sector consists of all unincorporated private enterprises owned by individuals or

households engaged in the sales and production of goods and services operated on a proprietary or partnership basis with less than ten total workers. According to (NCEUS 2008) around 86% of employees were working in the informal sector out of that 32% are female in India as of 2004-2005.

REVIEW OF LITERATURE

The study conducted by **Deepavinay, Divya Singh** (2015) found that the entrepreneurship generates employment and provides status to the women. No doubt improves the wealth of the nation in general and of the family's particular. But very few women entrepreneurs are in the big enterprises, Women are mainly concentrating in the Small Scale Industries (SSIs) **Ms. Arundhati Chattopadhyay** (2005). The various constraints in business and the family burden restrict them to start the business in large scale. **Vijay.B** (1997) has studied about the factors influencing entrepreneurship and his study revealed that entrepreneurs education, training, knowledge, abilities, are the prime traits influencing entrepreneurial performance. The motivational pattern, family background also has association with success. Apart from these factors, resources system, technical and marketing assistance, managerial ability and financial support are also determining the success of the enterprise. Those factors are not present in all the cases, absence of few or many of these factors influence the size of enterprise. The prominent reason for women entrepreneurship is their external circumstances like death of life partner, divorce or gender discrimination. They are using entrepreneurship as a coping strategy to overcome their problems (**Rekhapriyadharshini.A, Reeves Wesley J, 2013**) in such situation also it is not possible for them to start a small scale or large scale business they are compelled to choose informal business.

STATEMENT OF THE PROBLEM

From the past few decades so many studies were conducted related to women entrepreneurship. But there are very few researches about the women entrepreneurs involved in informal business. This study is conducted among the women owned informal businesses of Salem City, to study their socio economic profile of the entrepreneurs and the force behind their choice of business.

OBJECTIVES

- ✓ To study the force behind the entry of Women in informal sector.
- ✓ To study the socio economic status of Women entrepreneurs in informal sector of Salem City.
- ✓ To study the problems faced by Women entrepreneurs in informal sector

HYPOTHESIS

H0₁: There is no association between the force of entrepreneurship and the choice of business

H0₂: There is no association between and the reasons for choosing a particular business

H0₃: there is no relationship between the choice of business and the problems faced by the entrepreneurs

H0₂: there is no relationship between socio economic profile of the entrepreneurs and their choice of business.

RESEARCH METHODOLOGY

Data Source: The necessary data have been collected from both primary sources and secondary sources. The primary data were collected with the help of a well-structured questionnaire for Women Entrepreneurs in Informal Sector of Salem City. Moreover, the researcher used personal interview method and observation method. The secondary data for this study is collected from the MSME records, magazines, leading research journals, websites and published articles.

Sampling Technique: The study was conducted in Salem City in Tamilnadu. Totally 47 respondents were selected through convenient sampling technique. The researcher used interview method to collect the data from the respondents.

ANALYSIS AND INTERPRETATION

The force behind entrepreneurship and the choice of business

The result of Mann- Whitney U test, the distribution of business is has association with the force behind the choice of entrepreneurship. Since the P value is less than 0.01 the null hypothesis is rejected at 1% level of significance. Hence there is a significant relationship between the force behind entrepreneurship and the choice of business. The women entrepreneurs forced by family reasons are selecting different kind of business when compared to entrepreneurs having the urge of autonomy. On analyzing the Table No: 1

TABLE NO: 1
THE REASONS FOR CHOOSING A PARTICULAR BUSINESS

Reasons	Business						Chi square value	P value
	Vegetable/Fruit shop	Beauty parlor	Mess	Petty shop	Provision store	Dress shop		
High Profit	0	0	9	0	0	0	73.848	0.001
Low Competition	0	6	0	6	0	0		
Easy to start and manage	8	0	5	0	0	1		
Family Business	7	0	1	1	3	0		
Total	15	6	15	7	3	1		

Since the P value is less than 0.01 the null hypothesis is rejected at 1% level of significance.

Hence there is significant relationship between reason for choosing business and the business. The respondent looking for high profit prefers to run mess, the respondents who prefer business with less competition prefers beauty parlor and petty shop. The respondent who needs a business which is easy to start and manage majorly prefers vegetable or fruit shop, their next preference is mess. 12 respondents are doing business because it is their family business.

TABLE NO: 2
CHOICE OF BUSINESS AND THE PROBLEM FACED BY ENTREPRENEURS

Businesses	Statements				Chi square value	P value
	Finance	Work life Balance	Legal Issues	Social Problems		
Veg/fruit Shop	4	4	2	5	23.70	0.70
Beauty Parlor	0	0	4	2		
Mess	3	5	2	5		
Petty Shop	2	3	1	1		
Provisions Store	3	0	0	0		
Dress shop	1	0	0	0		
Total	13	12	9	13		

Since the P value is greater than 0.05 the null hypothesis is accepted at 5% level of significance. Hence the problems faced by women entrepreneur have no relationship with their choice of business. Invariably they are facing various issues and this can't be avoided through the choice of business.

TABLE NO: 3
SOCIO ECONOMIC STATUS AND CHOICE OF BUSINESS

Socio Economic Factor		Business							Chi-square value	P value
		Vegetable/Fruit Shop	Beauty Parlor	MESS	Petty shop	Provisions store	Cloth vendor			
Educational Qualification	Below 8 th std	6	0	5	1	0	1	13	74.23	0.001
	8 th to 10 th Std	0	0	5	6	2	0	13		
	10 th to 12 th std	9	0	4	0	1	0	5		
	U G	0	6	0	0	0	0	6		
	PG	0	0	1	0	0	0	1		
Age of the respondents	21-30	8	6	1	0	1	1	17	32.55	0.001
	31-40	7	0	9	7	1	0	24		
	41-50	0	0	5	0	1	0	6		
Marital Status	Married	7	0	4	1	2	1	15	44.59	0.001
	Single	6	6	1	0	0	0	13		
	Widow	1	0	5	6	1	0	13		
	Separated	1	0	5	0	0	0	6		

In all three cases the P value is less than 0.01 at 1% level of significance. Hence reject the null hypothesis. There is a significant relationship between the socio economic status of the Women entrepreneurs and their choice of business. Educational qualification, age and marital status

are influencing the respondent's choice of business. Most of the respondents are 12th std and below qualified, only one respondent is PG qualified and she is running a mess which is her family business. Most of the respondents are below 40 years old and their prime choice of business is vegetable or fruits shop. Only 6 respondents are separated from their spouse and their prime choice of business is running mess.

FINDINGS AND SUGGESTIONS

Even though the contribution of female is considerably increasing, only notable women entrepreneurs are doing large and medium scale business, rest are engaged in small and informal sector. That too the contribution of women entrepreneurs in informal sector is noteworthy. When studying the force behind their choice of entrepreneurship the main reason is to take care of their family only few are looking for autonomy. The socio economic profile of the women is also a factor that made them to choose an informal business, even in city majority of the respondents are less than 12 qualified, this lack of education band them from access of finance, government support and trainings, and at this juncture they are forced to take informal business. In many cases the respondents are the sole bread winner of the family, they have to work to cater the needs of the family. Even in this situation, social discriminations like gender bias, sexual harassments, threats by the local politicians and police, financial problems like high interest, not getting or no enough support from the family, lack of time to do the house hold duties, issues like getting license or getting permission to run the shop at platforms are the predominate issues faced by the women entrepreneurs.

Informal sector is a major contributing sector of the economy. But the women entrepreneurs engaged in informal sector have not getting any support from the government. Necessary steps have to be taken to improve their knowledge about government schemes and subsidies. And they have no choice rather than doing this kind of businesses for their survival, so government has to take steps to overcome their issues.

CONCLUSION

However no doubt working women uplifts the social and economic status of the family and as well as the nation, but still they are not getting adequate support neither from the family nor from the government. Even though we are speaking that women are empowered, that empowerment is only in black and white, not in reality. The real power of women is yet to be unleashed. Doing an informal business is convenient for a female as it doesn't have any entry and exit barriers and it doesn't require any formal education. The society has to support the women entrepreneurs to shine in their way.

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