WOMEN ENTREPRENEURSHIP IN INFORMAL SECTOR

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ABSTRACT

Women have plunged into the field of entrepreneurship and they have been found effective in emerging social economical role. Women had been managers since long from the time the concept of living in a family emerged. She had been an entrepreneur within the four walls where she was innovative in terms of budgeting with the limited income resources. With the changing role that women accepted over the past decade the role of entrepreneurship amongst women has gained considerable importance. This article deals with sociological and demographic factors influencing women entrepreneurship. The article has also identified certain special action strategies for the development of women entrepreneurship in urban informal sector.

Introduction
There is widespread belief that economic strength is the basis of social, political and psychological power in society. Women’s low status is seen to stem from their low economic status and consequent dependence and lack of decision-making power. And if women gain economic strength they gain both visibility and a voice in the homes, workplace and community.

Women have been involved in economic activities both in rural as well as urban sectors both in the formal and informal setting. Women's work participation rate according to the 1981 census showed that it was 13.99 per cent and men's work participation rate was 51.62 per cent.

Throughout the world women earn anywhere from 50 to 92 paisa for every rupee earned by men. In developing countries women hold 8 per cent of the administrative and managerial position compared to 24 per cent in developed world. Agriculture employs about 70 per cent of the working population of the country and almost 84 per cent of all economically active women.

Informal Sector
The ILO has been the pioneering agency which has initiated extensive studies on Informal Sector (IS) in Africa, Latin America and the Asian countries. These studies have reaffirmed that the existence of the IS is not a transitory phenomenon, and that its presence and contribution are acknowledged at all levels of development. The studies have identified the different sub-sectors of IS, namely, trade, service, production, construction, transport, etc. Of the above mentioned sub-sectors, production occupies a place next only to trade and services in terms providing gainful employment opportunities, higher income, and growth potential in different vocations.

The Urban Informal Sector
The concept of Informal Sector has developed in the historical context of urbanisation, migration and dualism. Industrialisation of peasant economies led to the process of urbanisation and large-scale migration from the countryside towards cities. But due to the slow pace of industrialisation, all the migrated labour force could not be absorbed in the industrial sector. This surplus labour managed to find avenues of self-employment and wage-employment in Informal ways. This situation has been created within the urban economic system, as a subsistence segment, that has come to be called Urban Informal Sector.

The concept of Urban Informal Sector was first used by Keith Hart (1973) in his study of Urban ‘Ghana’. He identified a number of Income and employment generating activities in the un-enumerated sector of urban areas, which constitute this sector. This sector has been associated with poverty, under-employment and unemployment.
The Urban Informal Sector assumes significance in the context of economic reforms relating to the industrial sector, which offers opportunities for further expansion of the Informal sector. In India, over the last two decades, the share of the Informal Sector in the total non-farm employment has remained as high as 92 percent.

**Need and Scope for the Study:**

The growth of entrepreneurial community in the informal sector will contribute much to the socio-economic development of the country. The share of informal sector is significant to the total employment and to the growth of urban incomes. The factors that have contributed to the growth of informal sector are urbanisation, migration and slow growth of industrialisation. In the process of urbanisation and migration, the role of women entrepreneurial community in the informal sector is a crucial factor. Hence, women entrepreneurial supply also became important for the growth of the informal sector. Women entrepreneurship in informal sector depends upon the social, cultural and ethical base of the society. But these conditions vary from one region to another hence the regional studies would contribute enormously to understand the process of entrepreneurial growth in general and women entrepreneurship in particular.

Though some scholars have made studies on these aspects, these studies are confined to specific regions and specific contexts. There are very few studies on women entrepreneurship in urban informal sector. In view of this it is proposed to study the impact of socio cultural and psychological factors on the growth of women entrepreneurship in the urban informal sector with the following objectives in Vijayawada City.

**Objectives**

1. To study the sociological and demographic factors influencing women entrepreneurship.
2. To know the impact of psychological factors on women entrepreneurship.
3. To formulate action strategy for the development of women entrepreneurship in urban informal sector.

**Methodology:**

The World Employment Commission under ILO has given a set of characteristics to identify IS production activities like units employing less than 10 workers, not having fixed hours of work, operating from semi-permanent premises and sale of output directly to consumers, etc. According to it a manufacturing unit may be included in IS if it satisfies one or more above characteristics. In this study the manufacturing units are selected if they satisfy at least two characteristics.

Since each activity is confined to a specific area in all towns, the list of different activities located in different areas is collected from Municipal Corporation Authorities. In order to identify the entrepreneurs under different activities a census survey covering all the manufacturing units engaged in IS activities in specified areas are conducted in the Vijayawada city. Among all the IS manufacturing activities, sandal making, Toys, Kalamkari, Rolled Gold, Basket making, Body Building, making steel furniture, tyre retreading and few others are found to be major IS activities in Vijayawada city. Among the above activities, it is proposed to select the activity Basket making because the more number of women entrepreneur are engaged in this activity. This activity is concentrated in the areas: Auto Nagar, Chappala market, Kothapet, Yanamalakuduru, Poranki, Rama Nagar-Sarada College, Chappala MarketGanapathi Rao Road, New Giripuram of Vijayawada city.

A sample of 45 production units were selected from the above areas using stratified random sampling with probability proportion.

**Profile of the Study Area**

33.2 percent of the total population Vijayawada city the total work force in Urban areas. The corresponding figures for Urban India and Urban Andhra Pradesh are 32.2 and 32.2 percent respectively. Data also shows that the distribution of main workers in Urban population comes to 29.3, 29.1 and 30.7 percent respectively for India, Andhra Pradesh and Vijayawada. The distribution of marginal workers is 2.9, 3.1 and 2.6 percent respectively for India, Andhra Pradesh and Vijayawada.

Informal house-hold and other industry (including agro based industries construction and transport constitute) 15.7 percent in Vijayawada of the total Informal Enterprises operating. In terms of work force participating in Informal Sector in Urban Krishna district, it may be observed that trade and commerce, manufacturing/processing/servicing appear to be taking almost the same share (34.6 percent and 32.5 percent respectively). Household industry workers account for 20.7 percent and other industries for 12.2 percent; together they constitute 32.9 percent. Given the data
gaps and other enumeration problems, it may be safely stated that these reflect the size of the informal sector in Urban Vijayawada, in terms of number of enterprises.

**Sociological and Demographic Factors Influencing Women Entrepreneurship**

An individual is a product of his social, economic, political and cultural environment. Out of these, social imperative, interaction with his immediate human environment like family member’s, peers, caste members, religious groups etc, especially family members and close relatives plays a dominant role in the socialisation process of an individual. The quality and content of socialisation exerts decisive influence on person’s behavioural patterns.

**Domiciliary Character of Women Entrepreneurs**

Migrating from one place to another for better economic opportunities reflects the spirit of adventure, the capacity to face uncertainties and start an enterprise in a new environment, the capacity to adjust to self-confidence, and risk taking ability.

Nearly 35.6% of the selected women entrepreneurs are from the same town, this shows that the study area is source of rich supply of entrepreneurs, and it further shows that the locals are quick to seize the opportunities. The majority of the sample entrepreneurs (64.4%) have migrated from other districts and from other states (40% from other districts 15.6% from other parts of the same district and 8.8% from other states). This shows that opportunities for innovative entrepreneurs do exist in the local market, and they can flourish without any encumbrance. This also indicates the openness of the local people as well as scope for the economic development.

**Age of Women Entrepreneurs**

The highest percentage (55.5%) of sample women entrepreneurs belong to the age group of (31-50) years at the time of conducting the survey (44.4% of them in 31-40 years, and 11% in 41-50 years and 20% of women entrepreneurs are below 30 years age. Above 50 years age group, there are only 22.3 percent of persons. The modal age group at the time of starting the enterprise is said to be below 20 years of age i.e. 95.6 percent of the women entrepreneurs started their activity at the age of below 20 and only 4.4% of the responding entrepreneurs fall in age group of 26-30 years. This shows that the activity is of hereditary in nature. Thus sizeable number of women entrepreneurs start new ventures at the age below 20; this shows that the skill learnt by entrepreneur as a child in rendering help to the family enabled them to start the activity as a source of livelihood at the early age i.e., below 20.

**Educational Level of Women Entrepreneurs**

On an average 93.3% of the respondents are uneducated, where as 4.5% of the selected entrepreneurs have primary education and only 2.2% of them have plus two education. From this we can deduce that as majority of the respondents are uneducated and they have chosen the family profession in which they have acquired skill.

**Religion and Social Group of Women Entrepreneurs**

Caste influences entrepreneurship. Socio cultural factors like the norms and values of the immediate social circle contribute substantially to entrepreneurship development. Of the sample entrepreneurs majority (64.4%) belong to Hindu religion. (35.6%) are from Christian community i.e. converted Christians caste-wise distribution shows that 100% of the sample entrepreneurs are from backward communities.

**Marital Status of Women Entrepreneurs**

On an average 100 percent of the sample respondents are married at the time of conducting of the survey. Hence marriage is an influencing factor to facilitate entrepreneurship.

**Rural-Urban Background of Women Entrepreneurs**

Nearly 82.2 percent of women entrepreneurs have urban background, and 17.8 percent are from rural background. This may be because an urbanite had better resources and exposure to opportunities and variety of experiences better employment, better contacts and better access to information.

**Impact of the Family on Women Entrepreneurship**

Three aspects have been studied to analyze the influence of the family on the entrepreneurial career:

1) Structure of the family.
2) Order of birth among female children
3) Occupation of the father and husband and previous background of the entrepreneur.
A majority of sample entrepreneurs 55.6 percent come from nuclear families or single family system, because of its advantages when compared to the joint family or extended family. Order of birth of female children reveals that entrepreneurs are, generally, either the second female child or at best, the elder female child (37.8% and 33.3% respectively). Regarding younger children other than the first two children the need for affiliation is strong for them, and hence a lower drive towards becoming an entrepreneur. The influence of Father’s occupation is found to a greater extent on the respondent women entrepreneurs. All the respondent entrepreneurs’ father’s occupation is Basket making which is a family profession. Analysis of the husband’s background reveals that 100 percent of sample entrepreneurs husbands profession is basket making. Previous background of the women entrepreneur reveals that all selected respondent women entrepreneurs are involved in Basket making. It shows that women entrepreneurs have taken up the same family profession which is hereditary.

Age of Enterprises of the Women Entrepreneurs
Majority of the respondents started their enterprises (31-20) years back i.e. (80%), [28.9% of them started 31 years back, and 15.6% of them started 21-25 years back, and 15.6% of them started 26-30 years back] and only 20% of the enterprises were started 15 years back. (11.1%) have started (11-15) years 6.7% have started (6-10) years back and 2.2% have started (1-5) years back. It shows that very little number of enterprises were started in the recent past. It means that present generation is not showing interest to start the enterprises, which is a serious threat for the existence of the handicraft activity like Basket making.

Location of the Business of the Women Entrepreneurs
Majority of the women entrepreneurs have the locations of the business on pavements i.e. (82.2%) 13.3% of the women entrepreneurs had their location of business in own house and only 4.5 percent of the women entrepreneurs had their business in own shop. It means that the respondents are not financially sound to have own shops or may be the due to pavement is the good marketing place.

Products Manufactured By the Women Entrepreneurs At The Time of Field Survey
Majority of the respondents are manufacturing all items i.e. 60 percent. 26.7 percent of the women entrepreneurs are involved in manufacturing of only rolling mats and 13.3 percent of the women entrepreneurs are involved in making baskets. All the selected Women Entrepreneurs are involved in manufacturing the products and selling the products.

Type of Ownships of the Women Entrepreneurs
On an average 93.3% of selected women entrepreneurs are involved in sole proprietorship and only 6.7 percent of them are under partnership. This shows the impact of fragmentation of joint families into nuclear families.

Types of Business of Women Entrepreneurs
100 percent of the selected women entrepreneurs are having seasonal business because raw material of the business, bamboo is available only few months.

Psychological Factors Influencing Women Entrepreneurship
The significance of human behaviour in economic development is well recognized by all social scientists. Modern psychologists believe that economic development can undergo a change through human motivation. Hence, researchers on entrepreneurship have given much importance to achievement motivation. The critical motive in entrepreneurship has been identified as n-ach. Some studies revealed that people with high need for achievement (n-ach) could emerge as entrepreneurs and exploit economic opportunities. A successful entrepreneur takes moderate risks, and stretches himself to achieve goals which are not impossible but are achievable through improved efficiency and perseverance. For this reason, entrepreneurial development programmes have been started and organised in both developed and developing countries to develop motivational characteristics.

Need for Achievement
The way in which need for achievement is perceived by entrepreneurs are to be understood. The n-ach can be operationalised, either directly or indirectly. A large percentage (82.2) of entrepreneurs feels that financial status as their achievement. 13.3 percent feel product credibility as their achievement and 4.5 percent feel establishment of unit as their achievement.
Perceptions Regarding Strengths and Weaknesses on Women Entrepreneurs

One has to find out one’s own strengths to become a successful entrepreneur. Nearly 84.4 percent of the sample women entrepreneurs have felt that their strength is hard work and will power. 6.7% of the sample entrepreneurs felt that technical knowledge is their strength and 8.9% of them felt frustration tolerance as their strength.

If the entrepreneur is not in a position to perceive the weakness in her, she is called a less effective entrepreneur. The majority of the sample entrepreneurs feel that lack of finance is their weakness (84.4%). This followed by factors such as straight forwardness (4.5%) Laziness (2.2%)

Entrepreneurial Traits or Characteristics

In order to be a successful entrepreneur, one must possess attributes such as perseverance, self-confidence, dynamism, etc. The majority of sample entrepreneurs felt that hard work, financial background related job experience and strong will power (51.1%, 31.1%, 11.1% and 6.7% of respondents respectively) are positive traits that are found to be responsible for entrepreneurial success.

Factors Responsible for Choosing the Entrepreneurial Career

Entrepreneurs emerge from the society. They have an urge to build their own empire. The factors which are external as well as inherent are responsible for choosing the entrepreneurial career. The selected women entrepreneurs have considered the inherent factors like hereditary (93.3% of respondents) and desire to be independent (6.7%) responsible for their entrepreneurial career

Causes for Delay in the Progress of Implementation of Projects

It is usual for an individual to attribute success to himself and failure to the environment. A large number of respondents attributed reasons such as shortage of raw material (44.5%) marketing problems (31.1%) and lack of finance (22.2%) for the delay in the progress of implementation of projects.

Impact of Discouraging Experience

When faced with problems or failures the majority of sample entrepreneurs stated that they had learnt how to adjust to the hazards (68.9%), resorting to job (8.9%) and development of tolerance (6.7%) for the delay in the progress of implementation of projects.

Long Term, Short Term Goals of Women Entrepreneurs and Career Goals of Children

The majority of sample entrepreneurs have felt that re-investment is their long term goal and 51.1% of them felt expansion of unit as their short term goal, and academic pursuit is their children’s career goal (57.8%).

Conclusions

In the light of the findings of the above study, the following conclusions are drawn about the informal sector women entrepreneur who is involved in basket making activity.

An entrepreneur in the informal sector is a person belonging to a family occupation with the skill acquired from family occupation which is of hereditary in nature.

Age of the entrepreneur for promoting an enterprise can be below 20 years age. Preparatory to starting of an enterprise the entrepreneur has to acquire the skills needed for entrepreneurship through apprenticeship in a family enterprise.

Entrepreneurs have a high level of motivations, self-confidence, perseverance and dynamism, willing to put in hard work, what they need is necessary stimulus as catalytic factors for creating a conducive environment for growth of the enterprise.

References:
