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A STUDY ON PROBLEMS AND PROSPECTS OF WOMEN ENTREPRENEURS IN INFORMAL MARKET IN CHENNAI

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ABSTRACT

Informal sector is that part of an economy which is not monitored or taxed by any form or government. The income generated from this section of economy is not included for calculating the GNP of the country. This part of economy exists even in the developed nations. This sector is often associated with the terms poverty, poor standard of living, lack of security, denial of health care etc., in a developing country like India the dominance of informal sector is high. Women constitute more than half of India's population. They form the major segment of India's informal market sector. They are forced to take up employment opportunities due to their poor financial and societal background. This paper aims to study the Women entrepreneurs in informal sector based at Chennai.

INTRODUCTION

The informal market is an important part of economy contributing to our economic growth, employment and income. This is the sector with which millions of citizens transact business on a day to day basis. The value of business they do with the self-employed business enterprises may not be large but the volume of business is generally large.

The status of women in the society has forced them to join work force due to increasing economic pressures. Of the total women work force of about 30%,

share in the organized sector is only 4.2% while the rest of 95.8% are in the unorganized sector.

The vendors' tribe continued for years and with the houses giving way to apartments they also grew very large with geographical limits of different vendors in different parts of the locality. The middle class boom the corporate entry into some sectors of retail has begun. But given the minimal over heads and profit margins they still have their clientele against competition. The less affluent middle class and lower middleclass, too shy to

venture into the big stores, keep the hope and business alive for these vendors.

It is still visually obvious that most vendors on labour intensive foot, pushback cycles, or even street hand push carts continue to be women in the age group of thirty-fifty.

Yet no proper study has been done of the women vendors who in their own way show skills of entrepreneurship with no academic exposure to management principles. They are multifunctional entrepreneurs who learn more from real life experiences than case studies in class rooms. There is a large increase of over heads of these people not due to standard of living, but more due to rising costs of improving the quality of life of their children through education. Thus even sustaining the same volume of business they still live ever in debt.

Informal sector includes those who work in small unregistered enterprises, both employers and employees as well as self-employed persons who work in their own or family business. Women employed in informal sector were unorganized, unprotected, economically weak and had no bargaining power. There were no laws to protect self-employed women, and they were not recognized as workers in the 1971 census. (rmaf.org.ph)

OBJECTIVES OF THE STUDY

- To analyse the economic profile of the women in informal market.
- To find out the hindrances of women entrepreneurs of the informal market.
- To study the level of satisfaction of these respondents

METHODOLOGY

Type of research- Descriptive

Sample size- 150

Sampling technique- Non probability – convenience sampling

Statistical tool- Percentage method and chi-square test

Source of data: Both primary and secondary data

Instrument: Questionnaire

Sampling Unit- Women vendors in Chennai

REVIEW OF LITERATURE

In most developing countries, informal sector provides a high percentage of urban dwellers with employment and incomes. About 40 to 80 per cent of the urban workforce is in the informal sector and street vendors represent a significant share [WIEGO 1997]. However, the size and contribution of vending activities to the commercial sector or economy as a whole is not well documented.

Vending has been a profession since time immemorial, with street vendors an integral part of our urban history and culture. Shopping and marketing, in a traditional Indian sense, has primarily been informal. Social interaction is integral to Indian markets in contrast to the mechanized and sterile concept of shopping favoured by modern market and super market structures. (India-seminar 2000)

Women entrepreneurship and the overall participation of women in the economy are closely related to each other. Though women constitute 48% of the total population, their participation in the economic activities of the country is only 34%. As per the fifth round of National Sample Survey Organisation in March 2000, their overall share in the organized

job market was 17.2%. It clearly indicates that a majority of women work in unorganized sector.(Indianbudget.nic.in)

India's slums are much more than places for people to live - they are home to an array of economic activities that allow many residents to make a living. The Indian economy relies less on exports than many other developing countries like China and so is much less exposed to the collapse in consumer demand in the US and Europe. There are reports that hundreds of thousands of jobs have been lost in the export sector recently. But so far, India's huge internal market has helped shield workers like Naeem from the global economic slump. (India's 'informal' workers help it defy global crisis, MATT WADE IN DELHI, 14/12/09,<http://www.canberratimes.com.au/>)

Access to global markets is critical to the economic security of many of the world's poor working in the informal sector. According to SEWA, in India, this sector

includes home-based workers, vendors, manual labourers and service providers; it accounts for up to 70% of gross domestic product and over 40% of exports; of the total workforce, 93% operate within the informal sector, and 60% of these are women.

Working in India's informal sector, the Self-Employed Women's Association (SEWA) is helping thousands of Indian women meet their business needs. Its domestic success has encouraged it to set up a trade facilitation centre to help women move into exporting. This has boosted exports dramatically, and brought greater security and prosperity to India's rural poor.

(Mary Treacy, 2003)

The choice of a product by a women entrepreneur is related to the educational and socioeconomic background of the person, training received in the area of special interest, support of family and friends etc (B.Sobha Rani and D. Koteswara Rao, 2007)

SOCIO ECONOMIC PROFILE AND HINDRANCES OF WOMEN ENTREPRENEURS IN INFORMAL MARKET

1. Distribution of Age		
Age	No of respondents	Percentage
Below 20	23	15.3
20-30	31	20.7
30-40	44	29.3
40 and above	52	34.7
Total	150	100
2. Nature of economic activity		
Economic activity	No of respondents	Percentage
Flowers	45	30
Fruit shop	30	20
Petty trade	30	20

Tender coconut	15	10
Edible items	15	10
others	15	10
Total	150	100
3. Monthly income		
Average Monthly income	No of respondents	Percentage
500-1000	66	44
1000-2000	30	20
2000-3000	30	20
3000 above	24	16
Total	150	100
4. Experience in business		
Years	No of respondents	Percentage
Below 10	12	8
10-20	24	16
20-30	36	24
30 above	78	52
Total	150	100
5. Ownership pattern		
Ownership	No of respondents	Percentage
Own shop	24	16
Rented	30	20
Pavement vendor	66	44
Push cart vendor	30	20
Total	150	100
6. Reasons for choosing this business		
Reasons	No of respondents	Percentage
Social need	32	21.3
Economic need	52	34.7
Interest in the activity	21	14
Hereditary occupation	45	30
Total	150	100
7. Sources of borrowing		
Source	No of respondents	Percentage
Own	22	14.67
Relatives	52	34.67
Friends	33	22
Private financiers	120	80
Commercial banks	12	8

Pawn brokers	52	34.67
8. Performance of the women in business		
Profits	No of respondents	percentage
Up to 200	12	8
200-400	18	12
400-600	83	55.33
600-800	36	24
800 and above	1	0.67
Total	150	100
9. Hindrances in business		
Factors	No of respondents	Percentage
Financial	60	40
Market	25	16.67
Social & Health	35	23.33
Cultural	30	20
Total	150	100

10. DECISION MAKING OF THE ENTREPRENEURS

Category	Women	Husband	Both	Others (peers)
Income	32	82	25	11
Monthly expenditure	83	28	20	19
Children education	50	50	33	17
Loans for business	78	22	15	35
Business ideas	82	22	22	24
Assets	67	34	30	19

ANALYSIS OF THE STUDY HYPOTHESIS

The following were the hypotheses used to analyse the study. The study used chi square test to test the association between the attributes.

There is no association between

1. Age and hindrance factors in business

2. Income and hindrance factors
3. Nature of business and satisfaction level
4. Years of experience and satisfaction level
5. Nature of business and hindrance factors.

HYPOTHESIS 1

	Hindrance factors in business				
Age	Financial	Market	Social and health	Cultural	Total
Below 20	9	4	5	5	23
20-30	15	6	6	4	31
30-40	21	5	10	8	44
40 & above	15	10	14	13	52
Total	60	25	35	30	150
Chi square value: 5.981 d.f: 9 (16.9) result : Accept hypothesis that there is no association					

HYPOTHESIS 2

	Hindrance factors in business				
Income	Financial	Market	Social and health	Cultural	Total
500-1000	23	18	15	10	66
1000-2000	10	4	8	8	30
2000-3000	12	2	7	9	30
3000&above	15	1	5	3	24
Total	60	25	35	30	150
Chi square value: 16.043 d.f: 9 (16.9) result: Accept hypothesis that there is no association					

HYPOTHESIS 3

Nature of Business	Satisfied	Not satisfied	Total
Flowers	20	25	45
Fruits	15	15	30
Petty trade	20	10	30
Tender coconut	5	10	15
Edible items	8	7	15
Others	10	5	15
Total	78	72	150

Chi square value: 7.674 d.f: 5 (11.1) result: Accept hypothesis that there is no association

HYPOTHESIS 4

Years of experience	Satisfied	Not satisfied	Total
Below 10	5	7	12
10-20	10	14	24
20-30	18	18	36
30 & above	35	43	78
Total	68	82	150

Chi square value: 0.518 d.f: 3(7.81) result: Accept hypothesis that there is no association

HYPOTHESIS 5

Nature of Business	Hindrances factors in business				
	Financial	Market	Social and health	Cultural	Total
Flowers	20	4	13	8	45
Fruits	10	6	8	6	30
Petty trade	12	5	7	6	30
Tender coconut	5	4	3	3	15
Edible items	7	3	2	3	15
Others	6	3	2	4	15
Total	60	25	35	30	150
Chi square value: 6.361 d.f: 15(25) result: Accept hypothesis that there is no association					

RESULTS AND DISCUSSIONS

- Table 1 and 2 highlights that about 34.7% fall under the age group of 40 and above and 30% flower vendors. As far as education is concerned almost all the women respondents have low level education. The vendors more so women have limitations of nature of economic activity considering the gender bias at societal level and responsibility at home as a multi functional playing different roles.
- Table three gives the details on the income on monthly basis. The economic scene of women is significant and that they have entrepreneurial skills by nature as they try to manage household activity. Majority of respondents' women have very less monthly income of below 1000. However, the income depends on the investment they make. The inflation strikes the prices of the vendors last since they have competitions and financial compulsion of day to day survival dictates their price, hence the monthly income do not reflect the real inflationary pressures But the struggle to survive is very clear in these figures.
- Vendors experience come from learning. Yet day to day sales add to their experience irrespective of neither age nor years. The experience in the business they do is informal and is been for more years and hereditary as well as an

economic need (table 6). It is also been inferred from table 5 that around 44% are pavement vendors and that do not have any premises on their own or on rental too. This depicts their economic status too. Owner ship could give stability to the business but will add to overheads due to investment costs. Rental would add to escalating over heads as rent increases. Nature of business also matters. It was found ad hoc locations (64 %) helped vendors more mobility, less overheads and more protection. Quick decision making in changing business, depending on seasons or rising demands.

- In a developing economy the sign of progress is indicative when there is a upward shift in the academic levels to begin with. So Social and economic needs can be clubbed and hereditary occupation can also turn to social and economic needs with growing business. Thus the indicators in general seek quality of life what ever be the reason.
- Table 7 brings out the sources of borrowing finance for their business. About 80% of them have used private financiers as sources of finance. Though many formal institutions provide financial assistance, still awareness has not been created among the women respondents even if they are aware, fear of repayment still is highly significant in them. The findings once again reflect the popular conclusion that not much encouraging efforts are taken by the banks to get them out of the clutches of the money lending sharks of varying sizes. Easy availability, no formalities, flexibility, relationship built on

trust and regular repayment are the factors that drive them to the financiers. Paying usurious interest and survive is better than not survive at all with no business.

- As regards the decision making in various aspects (table 8) among the respondents were concerned, since most of the family were maintained by them, they revealed that decision regarding expenses, loan and business ideas were by themselves and even that after consultation of the peer. Few respondent women are also in the self help group and save a very meager amount for family and children expenditure.
- The performance leading to profits hovers around a healthy 55 percent. With more empowerment the women can do better and raise to 70 percent because their inherent grit to succeed, less over heads, more social commitment is more pronounced
- Major hindrances (table 9) were financial constraints and cultural factors especially on economic angle were highly affecting the growth of the women. Given the male dominated environment the women still face hurdles and hindrances at all planes more so where tradition and superstition dominates and education and public involvement are yet to impact. Risks at financial, Social, cultural and health factors are higher while market and technical spheres it is less.

OTHER SALIENT OBSERVATIONS AND FINDINGS INCLUDE

- The respondents opined on the harassment prevalent due to drunkard husbands as many of them are unemployed too.
- About 40% of the women said that women are themselves hindrance many times.
- All the respondents revealed that they had a very modest living. They have the spirit to enterprise, ability to face hard times and more important their self confidence, that too with no or little education.
- Though private financiers play a major role it was more emphasized by them that it was through kandu and thandal basis that they were running their business often.
- The amount of money borrowed is very less as they explained that there is an urgent need of finance that too on daily basis, and are not able to wait till they get the finance through banks.
- Every respondent felt the pinch of repayment of loans and especially the kandu and thandal basis that sometimes it leads to mental distress as it carried additional burden of interest.
- The reasons for not going for financial assistance through banks was due to the following reasons-lengthy process, unaware about the procedures, complicate formalities, time consuming, least interested.

- There seems to be social transformation to some extent as the training to some women groups on accounts has been extended.

CONCLUSION

Today, women concern in all sectors such as education and literacy, health and nutrition, training and income generation, legislative and judicial reforms that has been flag marked. Women have begun to have a greater control over their resources, assets, earnings and savings.

Women in the informal market however are now joining SHG and try to seek micro credit too Therefore training can be given in adaptability skills, development and communication skills, personal accounting skills too. Orientation programmes can be done extensively and research can be done more on the informal market. Motivation becomes the basic criteria for encouraging women to excel in their small business activity.

India thus envisions a future in which Indian women are independent and self reliant. Their participation in remunerative work in the formal and informal market has increased significantly in the past decade. The need of the hour is economic independence for women. To translate this hope into reality, women entrepreneurs have to be encouraged and the vision and mission has to be focused to improve the quality of their socio-economic life through education and financial support as it is the only tool for the awareness, empowerment and development.

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