Analytical Study of Rural Women Entrepreneurship to Enhance Income – Reference to Tuticorin District

Amutha D
Assistant Professor of Economics, St. Mary’s College (Autonomous), Tuticorin, India

Abstract

This study discusses the socio-economic background of the selected women entrepreneurs in Tuticorin District and examines the factors motivating women to become entrepreneur. The present study is to be based both on secondary as well as primary data. The study demonstrates that 36% of women completed only primary school and 34% women started their business at the age of 20-25. The study disclosed that 4% of the respondents are earning an income up to Rs. 10000, 20% of the respondents are earning Rs. 10000-15000 monthly, 10% of the respondents are earning Rs. 15000-20000 monthly, and the others 66% of the respondents are earning above Rs. 20000 respectively. The average monthly income of the women entrepreneurs’ family is Rs. 19400. The study reveals the monthly income of the respondent’s before and after entering the enterprise. Before entering the enterprise 17.1% of the respondents had monthly family income of less than Rs. 10000, whereas after entering the enterprise 10% of the respondents had monthly family income of less than Rs. 10000. 30% of the respondents had monthly income between Rs. 15000-20000, Rs. 20000-25000 and above Rs. 25000 respectively before entering the enterprise. But after entering the enterprise it was 18.6, 12.8 and 37.1% respectively.

Keywords: Rural Women Entrepreneur; Entrepreneurship; Income; Gini co-efficient; Garrett’s ranking techniques

Introduction

In India, entrepreneurship is considered as one of the best means of triggering economic and social development [1]. According to the Global Entrepreneurship Monitor [2], one in eleven (8.9%) women is involved in entrepreneurship across the globe and India occupies the second position among the 22 countries where 14.1% of women have ventured into entrepreneurship. In almost all the developed countries in the world, women are putting their steps at par with the men in the field of business [3]. A study by Chinonye Okafor and Roy Amalu [4] revealed that positive relationship exists between motivational factors and women entrepreneurial challenges. A study in Taiwan by Saikou E Sanyang and Wen-Chi Huang [5] proves those women entrepreneurs are capable as men running a business. Vargheese Antony Jesurajan and Dr. Edwin Gnanadhas [6] in their study revealed that husbands/fathers were the main motivators for taking up entrepreneurship. This study discusses the socio-economic background of the selected women entrepreneurs in Tuticorin District and examines the factors motivating women to become entrepreneur.

Objectives of the Study

The field study has the following objectives
1. To study the socio-economic outline of the women entrepreneurs.
2. To understand the motivational and encouraging factors behind women entrepreneurs.
3. To analyze monthly household income of the respondents before and after entering the enterprise.

Null hypothesis

There is no significant difference between the income of the sample respondents before and after entering the enterprise.

Methodology

The present study is to be based both on secondary as well as primary data. The survey period covers from April 2014 to June 2014 for primary data collection. The secondary data are to be collected from published, unpublished reports, handbooks, action plan, pamphlets of Director of Industries and Commerce, Chennai; District Industries Centre, Tuticorin; Statistical Office, Tuticorin and Centre for Development Studies, Thiruvanthapuram. In addition Journals, books and magazines have also to be used. In order to evaluate the performance of women entrepreneurs in Tuticorin District, Tamilnadu 70 women entrepreneurs to be randomly selected from the list obtained from District Industries Centre, Tuticorin. As on 31st March 2014 there are about 2412 women entrepreneurs registered in the District Industries Centre and 70 entrepreneurs that is, nearly 3% of total population were selected for primary data collection by adopting simple random sampling method. Business taken for the study was beauty parlours, tailoring, medical stores and grocery shops. The data to be collected from primary and secondary sources is to be analyze with the help of some statistical tools like average, %ages, standard deviation, ‘t’ test, Gini co-efficient, Garrett’s ranking techniques etc.

Limitations

The study covers only Tuticorin district. Hence the findings of the study are entirely applicable to this district only and also applicable...
for a short period only. Due to paucity of time, the present study is conducted only four types of business run by women entrepreneurs can find the details with below Table 1.

Results and Discussion

The socio-economic characteristics of respondents were analyzed and presented in the above table. It is evident from the results that 73% of the respondents reside at rural area and 27% of the respondents reside at urban area. Further, results revealed that the % age of middle age respondents is more i.e., 48%. As per the survey middle age group’s involvements is higher than that of old and young aged groups and mean size of the family worked out to be 36.2 years and standard deviation was 31.1127 in the study area. Regarding the marital status 76 per cent are married.

Besides, results revealed that 36% of the respondents had primary education, about 18% had high school education, about 26% possessed higher secondary level education and only about 12% had pursued degrees. Further, 8% remained illiterate. Results on family size categories indicate that majority of the respondents i.e., 60% age of families are having 3-5 size ranging from members and mean size of the family worked out to be 10 years and standard deviation was 6.12372. Results on family type revealed that 90% of the respondents belonging to the nuclear family. This clearly indicates the declining of the joint family system.

Business taken for the study shows 66 per cent are engaged in tailoring and 20 per cent run beauty parlor. Business concentrated on medical stores and grocery shop as 10 per cent and 4 per cent respectively. Moreover results revealed that 38% of women started their business by their own funding. Only 12% started their business by bank loan, 30% borrowing from friends and 20% borrowing from relatives. The data shows that 51% women are working for 5-7 hrs. Only 3% women have only 2-4 hrs for their business. 27% and 19% women gave 8-9 hrs and more than 9 hrs to their business and they have huge family support and husband support.

The study demonstrates that 36% of women completed only primary school and 34% women started their business at the age of 20-25. The study disclosed that 4% of the respondents are earning an income up to Rs.10000, 20% of the respondents are earning Rs.10000-15000 monthly, 10% of the respondents are earning Rs.15000-20000 monthly, and the others 66% of the respondents are earning above Rs.20000 respectively. The average monthly income of the women entrepreneurs’ family is Rs.19400.

The major reason behind for starting business is to earn profit was ranked first followed by freedom to make own decisions. The various other factors like not want to work for others were ranked third, self-achievement ranked fourth, confidence in the products/services offered ranked fifth and social status ranked sixth respectively (Table 2).

The above Table 3 reveals the monthly income of the respondent’s before and after entering the enterprise. Before entering the enterprise 17.1% of the respondents had monthly family income of less than Rs.10000, whereas after entering the enterprise 10% of the respondents had monthly family income of less than Rs.10000. 30% of the respondents had monthly income between Rs.10000-15000 before entering the enterprise, which decreased by 21.4% after entering the enterprise. 25.7%, 20% and 7.1% of the respondents had monthly family income between Rs.15000-20000, Rs.20000-25000 and above Rs.25000 respectively before entering the enterprise. But after entering the enterprise it was 18.6, 12.8 and 37.1% respectively. From the Table 3 it is evident that after entering the enterprise the respondent’s monthly family income has shown a substantial increase.

In order to study the impact of enterprise on income of the sample respondents paired sample ‘t’ test is used.

Null hypothesis

There is no significant difference between the income of the sample respondents before and after entering the enterprise.

The above Table 4 showing the test result that ‘t’ statistics 7.0004 is significant at 1% level of significance with 69 degrees of freedom. Therefore the null hypothesis that there is no significant difference between the income of the sample respondents before and after entering the enterprise is to be rejected. Hence there is a significant increase in the income of the respondents after entering the enterprise.

Table 1: Socio-personal characteristics of respondents (n=70)
Gini Ratio

Gini co-efficient of concentration ratio was used to measure the extent of inequalities in the distribution of income in the households of entrepreneurs before and after entering the enterprise in the case of those engaged in different activities in the study area. The range of Gini ratio would be from 0 to 1. Gini ratio of 0 would mean that every individual would reserve exactly that same income i.e., perfect equality in distribution. Gini ratio of one mean that an individual would reserve the different income i.e., perfect inequality in income. Gini ratio was calculated by using the formula.

\[ G = 1 - \frac{\sum_{k=1}^{N} (P_k - P_{k+1})(Q_k + Q_{k+1})}{10,000} \]

Where,

- \( G \) = Gini coefficient of concentration
- \( P_k \) = Cumulative per cent of frequency of entrepreneurs
- \( Q_k \) = Cumulative per cent of income
- \( N \) = Number of classes used in the analysis

Table 5 represents the Gini ratio was estimated to analyse the distribution of household income of the entrepreneurs before and after entering the enterprise in the study area. The estimated values of Gini ratio before and after entering the enterprise clearly indicate that there is no perfect equality among the entrepreneurs household income. But decrease in the value of Gini ratio from 0.21824 to 0.23501 shows that the income inequality between the entrepreneurs has increased after entering the enterprise.

Conclusion

This study examines the factors motivating women to become entrepreneur and income inequality between the entrepreneurs has increased after entering the enterprise. On the development of Tuticorin district women entrepreneurship the income and employment opportunities will increase, the rural and family infrastructure will improve and overall it will act as a catalyst for faster rural economic growth and development. Up to a greater extent the rural women entrepreneurship is directly proportional to the rural growth and development. Government should take initiatives to upgrade their skill and institutions should come up with offering education program for women entrepreneur.

References