

## CHAPTER 3

### SOCIO-ECONOMIC STATUS OF WOMEN ENTREPRENEURS

#### SECTION I

##### 3.1 Introduction

“Entrepreneurship and self –employment among women has been a substance of current apprehension in the country. The concealed entrepreneurial latent of women has progressively been changing with the compassion to their role and economic status in the society”(Resia Begum, 2000).

“The socio-personal characteristics are likely to cause entrepreneur and entrepreneurship, especially when we are talking in Indian context. It is believed that the two major magnitude of entrepreneurship are entrepreneur himself/herself and the society where in he/she discharges his/her function. Socio economic genesis of women entrepreneurs are considered essential to draw significant conclusions on women operated units and entrepreneurial activities carried out by them. It is necessary to recognize their life and living conditions, as it is likely to have an impact on their decision to take-up entrepreneurship and also on their performance as an entrepreneur. This socio-economic condition of women entrepreneurs and their family further provides a stage to analyse their taking up entrepreneurship”(Lalitha Rani, 1996). The reason being, if the socio-economic environment is conducive, it will cultivate entrepreneurship among women. At times women face opposition and social constraints and they need to overcome such constraints and establish themselves as entrepreneur. It is therefore pertinent to understand and realize the background of women entrepreneurs.

In India social conditions play a crucial role in entrepreneurship. “ It is generally believed that persons with trading and business experience are better

equipped to enter into industrial entrepreneurship. The trading community normally constitutes the single largest source of entrepreneurs” (Kumar, 1990). It is believed that only certain communities engage themselves in certain enterprises and who have business background. Obviously, the change of women from conventional role of homemaker to contemporary role of an entrepreneur is bound to have lot of ramification.

This chapter makes an attempt to analyse the socio-economic status of women. The chapter is divided into four sections. Section one deals with social status of respondents, section two with household responsibility and attitude of family members, section three with the economic status of women entrepreneurs and section four deals with conclusions.

### **Social background**

#### **3.2 Religion and Caste**

“Religion shapes domestic, economic and political institutions. The performances of individual entrepreneurs are directly and indirectly inspired by religious ideals. It also plays a vital role in entrepreneurial development” (Debnath, 2001). The distribution of respondents by various religious groups in the present study shows that majority of women entrepreneurs, i.e., 69.5 percent women were Hindus. 26.5 percent were Muslim. 0.5 percent women Christian and 3.5 percent belonged to other religious groups like Parsis, neo-buddhist, etc. Among Hindus, a large proportion of women belong to upper castes such as brahmin and vaishya.

**Table3.01: Distribution of respondents by Religion**

Religion	(%)
Hindu	69.5
Muslim	26.5
Christian	0.5
Others	3.5
Total	100.0

Source: Primary survey and also for all the tables in the chapters 3 to 6

Though it is believed that religion may not have any bearing on the entrepreneurial abilities, it might be that the religious customs or traditions might obstruct or support women in pursuing or carrying out entrepreneurial activities” (Gupta and Srinivasan, 1994). At the same time, in a society like India, it is also suggested “socially, Hindu women are more acceptable as entrepreneurs as they are majority community”(Lalitha Rani. 1996).

“Caste background of entrepreneurs is one of the major determinants of the emergence of entrepreneurship and also successful operation of the units with the guidance of their own caste-men in the field”(Murugesan. 1999).

### 3.02 Distribution of respondents by Caste

Caste	(%)
General	91.0
Schedule Caste	3.0
Schedule Tribe	1.5
No response	4.5
Total	100.0

In terms of caste groups, (Table 3.02) the distribution showed that 91 percent women belonged to general category. 3 percent women belonged to scheduled caste and 1.5 percent women belonged to scheduled tribe. This shows that a very low percentage of women belonging to SC and ST are into self-employment.

### 3.3 Marital Status

Majority of women i.e., 85.5 percent were married. 9 percent women were unmarried. 4 percent were widow and 1 percent women entrepreneurs were divorcees.

### 3.03 Marital Status of respondents

Marital status of respondents	(%)
Married	85.5
Unmarried	9.0
Widow	4.0
Divorced	1.0
No Response	0.5
Total	100.0

This shows that all women are taking up entrepreneurship irrespective of their marital status or it can be said that marital status is not a barrier in women taking up entrepreneurship.

### 3.4 Migrant Status of the Women Entrepreneurs

Generally migration of an individual is related to the economic need of an individual. It is generally believed and found that women migrate after marriage or because of transfer of husband.

**Table 3.04 Arrival of Respondents in Baroda (year-wise)**

Year	(%)
Before 1980	7.0
1981-1990	24.5
1991-2000	11.5
Not Applicable	53.0
No response	4.0
Total	100.0

In the present study, in case of majority of women i.e.. 53 percent were non-migrants. 7 percent respondents came to Baroda before 1980. 24.5 percent respondents migrated between 1981 to 1990. 11.5 percent migrated after 1991. Of the total migrants, majority i.e., around 25 percent migrated to Baroda during the decade of 80s. Of the total those women who migrated to Baroda majority have migrated after marriage. Hence, women mainly migrate in view of marriage.

**Table 3.05:Age at migration to Baroda**

Age of respondents	(%)
Less than 18 years	10.5
18-25 years	21.5
26-40years	6.0
41-50 and above years	3.0
Not applicable	53.5
No response	5.5
Total	100.0

This is also substantiated by the fact that majority women have migrated in the marriage age group. 10.5 percent came to Baroda before the age of 18 years. 21.5 percent respondent migrated to Baroda between the age of 18 and 25 years and only 6 percent have migrated to Baroda between the age of 26-41.

### **3.5 Reason for Migration**

In the present study of the total, majority of the migrant women i.e., almost 29 percent have migrated after marriage and only 9.5 percent migrated for other reasons like transfer of husband or father.

**Table 3.06: Reason for Migration to Baroda**

Reason for migration	(%)
For studies	0.5
Earning	7.0
Marriage	28.5
Other	9.5
Not applicable	53.5
No response	1.0
Total	100.0

As the table (table no. 3.06) shows that 7 percent women migrated to Baroda for earning livelihood. This indicates that even today a very low proportion of women migrate to other city or state in search of livelihood. These women have migrated from Bhuj and Kutch after the earthquake in 2001 out of economic compulsion along with their children. Majority of these women were engaged in broom making. They migrated to Baroda to earn money. Husband and in-laws stayed back in their native village and women migrated to Baroda to earn money and send it back home.



**Table 3.07:Age of respondents**

Age of respondent	(%)
Below 18	0.5
18-22	7.5
23-27	6.5
28-32	15.0
33-37	22.5
38-42	22.5
43-47	11.5
48-52	7.0
53-59	4.5
60 and above	2.5
Total	100.0

“Age predicts the possibility of effective working of the entrepreneurs. Some of the entrepreneurs achieve their success at certain ages. The age of the entrepreneurs refers to the age at the time of investigation but does not refer to the age of the respondents at the time of establishment of respective units. Age has no immediate effect on the success or failure to some extent”(Debnath, 2001)“ The table (3.07) shows age wise distribution of respondents. The table depicts the present age of respondents at the time of survey in the Baroda city. The table reveals that only 0.5 percent respondent were below 18 years. 7.5 percent respondent belonged to the age 18-22 years. 6.5 percent belonged to age

group of 23-27 years. 15 percent were in the age group of 28-32 years. 22.5 percent respondent belonged to both the age group i.e. 33-37 years and 38-42 years. 11.5 percent respondent belonged to the age group of 43-47 years. 7 percent belonged to the age group of 48-52 years and 4.5 respondents belonged to the age group of 53-59 years. Only 2.5 percent respondents belonged to 60 and above age. This clearly shows that at the time of survey majority of respondents were young. Only very few belonged to higher and lower age group.

### **3.6 Educational Qualification**

Education is considered as one of the important element in bringing social change. The barometer of progress in women's education is indicated by level of literacy. This itself acts as an important catalyst of their general well being. To grow as equal citizens the availability of education provides them with opportunity. In both market and non-market activities, education enhances the productivity of women and also provides them greater access to paid employment and higher earnings. "The lack of education seriously delimits their employment options in the modern sector of the economy"(Mathur, 2001). "Education also plays a vital role in the development of entrepreneurship. It has implications for the development of entrepreneurial abilities"(Casson, 1982). "The formal education has always been considered as an important asset of an individual in building his/ her occupational career in bureaucratic society"(Lipset And Bendix, 1959).

### 3.08: Educational Qualifications of respondents

Educational Qualification	(%)
Illiterate	7.5
Can read and write	8.0
Primary education	13.0
S.S.C	8.0
H.S.C	30.0
Graduation and Above	33.0
Technical education	0.5
Total	100.0

The educational level of women entrepreneurs in the present study shows that 7.5 percent women were illiterate. Of the total 98.5 percent literate respondents majority i.e., more than 60 percent are HSC and above. Only 13 percent had primary education. This indicates that educated women have started taking up entrepreneurship. The women also mentioned this during informal discussions with them. Many women wanted to work as they thought that they are educated and qualified and therefore they should be economically self-dependent. As they were qualified they wanted to work but because of the family responsibility and long hours of work in office restricted them to go for employment. Hence, it is convenient for them to take up entrepreneurship. So that they can work as per their convenient time and at the same time take care of their family.

### 3.7 Parents' education

The level of education of the parents is an important determining factor in building an individual's educational capability.

**Table 3.09: Educational Qualification of Respondents' parents**

Educational Qualification	Father	Mother
Illiterate	15.5	31.5
Can read and write	0.5	1.0
Primary education	24.5	36.5
SSC	13.0	17.5
HSC	13.0	4.0
Graduation and Above	23.5	4.5
Technical qualification	4.5	...
No Response	5.5	5.0
Total	100.0	100.00

The table (3.09) represents the educational level of respondent's parents, which indicates that 1.15 percent respondent's had illiterate fathers. 24.5 percent had education upto primary. 13 percent had education up to SSC and 13 percent up to HSC. 23.5 percent father were graduate and above. 4.5 percent had technical qualifications. And around one-fourth of the total were graduate and above.

In case of mother's education, 31.5 percent had illiterate mother. Of the total 63.5 percent respondents having literate mother. 36.5 percent had mother's education up to primary. 17.5 percent till SSC and 4 percent up to HSC. Only 4.5 percent were graduate and above. That means that very few respondents had highly qualified mothers. This shows that majority of the respondents had good

parental educational background. Parent's education is therefore a determining factor for an individual's education, which is also revealed by the chi-square results showing a positive relationship between educational qualification of respondents and parents.

**Table 3.10:  $\chi^2$  test-showing the results of relationship between educational qualifications of respondents and educational qualification of parents**  
Significant at 1% level

Education of	$\chi^2$ Cal	$\chi^2$ tab
Father	294.389	58.6192
Mother	262.599	50.8922

### **3.8 Parent's Occupation**

The occupation of respondents' father in the present study shows that 48.5 percent belonged to working class. 34 percent belonged to business family. 9 percent were from agriculture and farming. 2 percent belonged to other category that included retired persons who were not doing anything or who were dead. Hence it can be said that women belonging to all families are taking up entrepreneurial venture.

**Table 3.11:Occupation of respondents' parents**

Occupation	Father	Mother
Service	48.5	3.0
Business	34.5	9.0
Agriculture and farming	9.0	...
Housewife/house husband	...	84.0
Others*	2.0	...
No response	6.5	4.0
Total	100.0	100.0

Note\*: Others include retired persons, doing no work

The occupation of respondents' mother shows that majority of them i.e., 84 percent were housewife and very few i.e., only 12% had working mothers.

## **Section II Household Responsibility**

This section deals with the time spent by respondents in household work and use of free time.

### **3.9 Time spent in Household activity**

"In middle class families and poor families, women have shared the economic responsibilities to a considerable extent. But an important factor to be considered is the execution of women's dual responsibility of sharing the economic burden with the earners in the family and the household duties being shared at home. As for the domestic and household responsibilities, they are almost universally considered to be women's domain. These responsibilities make the women feel economically and psychologically dependent. But with the

changing scenario when economic responsibilities are being shared by women, as is evidenced, a redistribution of household responsibilities within the family becomes pertinent thereby moving away from the traditional submissiveness on the part of women". (Agrawal, 1992) The facts in the present study reveal that of the total, majority of respondents i.e., 94.5 percent spent 2 to 6 hours daily in household work. A very few of them even spent more than 6 hours on household work. 23.5 percent women spent less than 2 hours. Only 2.5 percent women were not spending any time on household work. These were unmarried women who had mother to take care of household responsibility.

**Table 3.12: Time spent in household work by respondent**

Time spent in household work	(%)
No time spent	2.5
2 hours to 6 hours	94.5
More than 6 hours	1.0
No response	2.0
Total	100.0

It is clear from the table (3.12) that majority of women perform dual role i.e. to perform household duties and take care of their business too. Hence, they are subject to double burden. It shows that majority of women spend significant time in the domestic duties. Hence, it can be inferred that though women are taking up entrepreneurial activity, still there is no sharing of the household responsibilities. This is also revealed by the fact that majority women did receive help in household chores but from the female family member. 90.5 percent women received some help in household work. Help was received in

household either from mother in law or sister in law. Only in case of very few women husband helped in household work.

### 3.10 Leisure time

With the limited income of family of majority of women and the double burden of work, these women hardly have any choice of entertainment or leisure time.

**Table 3.13: Use of free time by respondents**

Use of free time	(%)
No time	20.0
Watch TV	10.0
Reading	4.5
Outing	3.0
Business	57.5
Multiple Activities*	3.0
No response	2.0
Total	100.0

Note\*: Those women who were engaged in more than one activity

20 percent women were not getting any free time at all. Whereas majority i.e. 57.5 percent devoted their free time to their business. It clearly shows that those women who were using their free time for business related activity in reality were not getting free time at all.



### 3.11 Attitude of the family members

“Attitude of the family members which works as one of the facilitators is very essential for women’s participation and their perception regarding the market work. Changing economic conditions and growing pressure on the urban middle class families have brought women out of their home. It is essential that they receive a favourable attitude in the family in order to make adjustments in their new roles in the changing situations. Women’s participation in the market work and thereby their new role is being approved within the family” (Agrawal, 1992).

**Table 3.14: Did the members of the family object to taking up entrepreneurship**

Objection	(%)
Yes	7.0
No	93.0

On the ground of being a workingwomen, the respondents were asked if they had any problem in the family. It reveals that majority of women were having no problem with family. Their family did not raised any objection when they took up entrepreneurial venture.

**Table 3.15 :If yes, who raised objection**

Who raised objection	(%)
Husband	3.0
In-laws	3.0
Brother	1.0
Not applicable	93.0
Total	100.0

In case of 3 percent respondent husband raised the objection when women took up entrepreneurial venture. In case of 3 percent women her in-laws raised objection. One of the respondents who were staying in joint family with her husband was thrown out of the family when she took up entrepreneurship. According to her in-laws the Bahoo (daughter in law) cannot work outside. It is against their family's prestige. This woman had to taken up entrepreneurship, as her husband was not working. She did not wanted to be dependent on her in-laws.

**Table 3.16: Attitude of family members after respondents started business**

Attitude of family members	(%)
Co-operative	1.0
Hostile	3.5
Indifferent	95.5
Total	100.0

Only 1 percent respondent found co-operative attitude after she started her business. 3.5 percent respondent found the attitude of family to be hostile after she took up entrepreneurship. Majority of the women did not found any change in the attitude of her family members.

### Section III

This section deals with the economic status of the respondents. This section is further sub-divided in two parts.

#### 3.12 Family income and women's contribution

In the present study, majority of women belong to low-income families.

**Table 3.17: Total Family Income (monthly) of the Respondents**

Total family income (Rs.)	(%)
1-5000	21.0
5001-10,000	31.5
10,001-20,000	24.0
20,000-50,000	13.0
50,000 and above	4.0
No response	6.5
Total	100.0

The total family income (monthly) of the respondents in the present study is shown in table (3.17). Of the total respondents 21 percent had a monthly family income less Rs. 5,000. 31.5 percent earned a monthly income between Rs.5001-10, 000. That means that more than 50% of the respondents had a

monthly family income below Rs. 10,000. 24 percent had monthly income between Rs.10, 001 –Rs 20, 000. The average family size in the present study is 5. Accordingly, the per capita income of a large number of respondents (45%) was less than or equal to Rs. 2000/- per month. Almost 33% of the respondents had a per capita monthly income of Rs. 1500/- or less. Using Planning Commission methodology<sup>1</sup> and price deflator<sup>2</sup> for the year 2001-02 (the year in which the data for the study was collected) almost one-third of the respondents were below poverty line.

**Table 3.18:Per-capita-income categories**

Per capita income of respondents family	(%)
< -1000	19.0
1001-1500	14.5
1501 –2000	12.0
2,001-5,000	25.5
5001-10,000	12.0
10,001-20,000	2.5
2,0,001 >	1.0
No response	8.5
Total	100.0

The level of women's participation in economic activity and their occupational distribution reflects the contribution of women to the economy and development. Evidences and studies reveal that women do contribute towards her family incomes in a substantial way. It is also becoming evident that inadequate

male income in majority of developing countries has realised the importance of woman's earnings for the survival of the families (Heggade, 1998).

**Table 3.19: Personal incomes of respondents (Monthly)**

Personal income of respondents (Monthly)	(%)
< -1000	33.0
1,001-2000	32.0
2,001-5,000	19.5
5001-10,000	4.0
10,001-20,000	3.0
2,0,001 >	3.0
No response	5.5
Total	100.0

“Women's work is often dismissed as secondary despite their substantial contribution to the family income and their income used for meeting the family expenses” (Agrawal, 1992). This is evidenced by the fact that in case of 47% of women, their income is used entirely for meeting the household expenses and nearly 20% of women reinvest in their business.

**Table 3.19: Respondent's share in family income**

Share in family income	(%)
Less than 10%	28.5
10.1%-20%	34.0
20.1%-30%	13.0
30.1%-40%	6.5
40.1%-50%	8.5
50.1%- 60%	2.5
60% and above	4.5
Sole earners	2.5
Total	100.0

More than 60 percent women contribute less than 20 percent to the total family income. In terms of relative contribution, the share of women may seem to be low but given a very high percentage of families with low income even a small contribution is important. In middle class families, any additional income helps the family in improving the standard of living. Besides, 2.5 percent women were sole earners with dependent families. "This falsifies a very standard argument for a casual attitude towards discrimination against women in the labour market that women are secondary earners"(Agrawal. 1992).

**Table 3.20: Use of respondents' income**

Use of respondent's income	(%)
Entirely for household budget / family expenses	47.0
Major part for family and small part for self	7.5
Small part for family and major part for self	5.5
Partly for both- family and self	11.5
Re-investment in business	19.0
Many uses*	6.5
No response	2.5
Total	100.0

Note\*: Includes income spent for more than one purpose

“In the absence of women's earnings, the family would have not been ensured even the basic necessities. The earnings of these women do not ensure extra comforts for the family but in providing the basic necessities of life”(Agrawal, 1992) which is revealed by the fact that the income of almost 35% of women is used for purchasing of consumer items as shown in the table 3.20. In case of 48% of women, their income is used for several purposes such as miscellaneous purposes or other consumer durables that are also a part of expenses in the family and help the family in uplifting the standard of living.

**Table 3.21: Spending of respondents' income**

Spending of respondents income	(%)
Purchase of consumer items / food	34.5
Miscellaneous and other expenses	22.0
Various uses*	26.0
No response	17.5
Total	100.0

Note\*: Spending income for more than one purpose like purchase of food and consumer item, miscellaneous and other expenses or spending for business purpose.

In short, "though women's earnings raise the standard of living of the family above the level which the family should have otherwise enjoyed in absence of her earnings, they are considered to be secondary earners"(Agrawal, 1992). Low income of the family is also reflected I low savings of the family shown in the following table no.3.26.

### **3.13 Savings**

Savings of an individual depends upon an individual's earnings.



**Table 3.22: Saving categories**

Saving of respondents' (Monthly )	(%)
No savings	36.5
Less than 1000	33.0
1001-5000	11.0
5001-10,000	2.5
No response	9.5
Total	100.0

More than 36 percent women were not able to save at all. And 33 percent were able to save just upto Rs.1000. Hence, majority women had either no savings or very low savings. Regarding the loans, majority women have taken no loan and only very few women (7%) have taken loan for business purposes.

**Table 3.23: Reasons for taking loan (debt)**

Reasons for taking loan	(%)
To start business	7.0
Expansion of house/ House construction	8.5
Not applicable	83.5
Total	100.0

## Section IV

### 3.14 Conclusions

Of late, women from different socio-economic strata have started taking up entrepreneurship. It seems that today women want to be economically independent. But at the same time it is also equally true that they want to support their family economically. "In recent years, spread of education has created new jobs opportunities and inspiring women to achieve something in their life. The process of urbanisation and industrialisation has tended to divest the religion and caste of their occupational identities. These new influences are largely restricted may be to urban and industrial centres"(Vinze, 1987).

With the change in the attitude of family and society, women though have started sharing the economic responsibility of family but they are burdened with dual responsibility. Majority of women hardly gets leisure time for her. Despite facing all these constraints and problem these women want to take up entrepreneurial activity and be economically independent or support the family.

#### Notes:

1. For details see: Planning Commission (1993): Report of the Expert Group on Estimation of Proportion and Number of Poor
2. Price deflators are consumer price Index for urban non-manual employees for the year 2001-02.

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