

An enquiry into the factors affecting financial viability of women micro enterprises

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Background

The role of entrepreneurship in promoting economic development has gained acceptance over the past one decade. The key to this is the management of human factors, in the absence of which, even an abundance of natural and physical resources, machinery and capital can go blatantly underutilized. Women represent the bulk of labour force especially in developing countries and of late, attention has turned to women entrepreneurship as a tool for economic growth. Women entrepreneurs have to fight battles on several fronts, the latest of which is the one opened up by globalization. Globalization is a process of integrating all economies of the world so that there is free movement of goods, services, technology, capital, including labour across national boundaries. Globalization has contributed heavily in bringing about vast changes in the lives of people especially women. In this context, it is unclear if micro enterprises started by women can survive. Hence this study was done to evaluate the financial viability of women enterprises in Thrissur district of Kerala State with a special focus on the impact of globalization on the working of such enterprises.

Aim:

The study was conducted with the objective of assessing the financial viability of micro enterprises run by women in Thrissur District of Kerala State, India.

Profile of the study area:

The study was conducted in Thrissur District of Kerala State. Thrissur was chosen due to the centrality of the location, the presence of wide spread banking network and non-banking financial institutions contributed heavily to make it as a hub of economic and developmental activities. The emergence of Kudumbasree movement and self help movement helped the establishment of micro credit movement in the district. Availability of easy and cheap finance along with the entrepreneurial skills of

women helped in promotion and stabilization of large number of micro enterprises in the district. Traditionally Thrissur is identified as a trading centre. The presence of well established Handloom Industry, Bell Metal Works and Tyre Moulding Industry also facilitated ancillarisation possibilities for micro enterprises.

Sample:

The study design is descriptive. Multistage, stratified, random sampling is used for selection of sample. The micro enterprises were categorized into urban, rural, individual, traditional, innovative etc. Samples were drawn from district Industries Centre, District Panchayat and State Poverty Eradication Mission (Kudumbashree). This comprised of women entrepreneurs involved in production, manufacturing, trading and servicing type of enterprises. From a population of 2342 enterprises run by women, those having existence of 3 or more years were included. There were 810 such enterprises which were divided into 16 sub groups. Using random number tables, 127 were selected which formed the population for this study. The details are shown in Table 1.

Out of the 127 units, 8 were excluded. Coconut palm climbing is attempted mainly by men. Even though subsidy was paid to women entrepreneur; the unit was run by her spouse. Hence this unit is not included for study. Similarly after marriage two entrepreneurs migrated to nearby district leading to closure of the units. Some of the entrepreneurs registered in both DIC and Kudumbashree which has resulted in duplication of data. Some of the units started after registration became defunct and others have not even started. The details showing the list of enterprises which were excluded is shown in Table 2. Thus a total of 119 units - 75 manufacturing, 1 assembling, 6 processing, 7 job work, 3 repair and maintenance and 27 service enterprises – were contacted for the purpose of investigation.

Data collection and analysis:

The entrepreneurs selected for the study constitute the primary source of data. Information about the working of unit, reason for starting of unit, source of finance etc

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