

## A Study on Women Entrepreneurship in Unorganized Sector

**Ramakant Kulkarni<sup>1</sup>, Bharati Badiger<sup>2</sup>**

<sup>1</sup>Faculty, Chetan Business School, Sri Nagar, Unkal Hubli-580031.

<sup>2</sup> Faculty, Chetan College of Commerce, Sri Nagar, Unkal, Hubli -580031.

[ramakankv@yahoo.co.in](mailto:ramakankv@yahoo.co.in), [komalbadiger89@gmail.com](mailto:komalbadiger89@gmail.com)

### **Abstract**

*The topic of entrepreneurship has attracted the academicians and researchers but most of it is done taking the cases of organized sectors. Further the women entrepreneurs have contributed significantly in organized sector and the quite a good amount of documented literature is available.*

*A lot of scope in women entrepreneurship's study in unorganized is available for the researchers and academicians. The few areas that deserve attention for study are one tutor coaching classes, maid servants, vegetable vendors, life skill and soft skill freelancers, content writers, columnist, beauticians, wayside tea and eatable stalls, garment sellers, handicraft artisans, tailors, home based catering and so on.*

*These women contribute and supplement to the family finances in a great deal and help take care of house hold expenses. The financial freedom they gain make them confident and empower them.*

*The objective of the present paper is to make an attempt to study few of the women entrepreneurs in unorganized sector and look at the issues they face and what could be done to bring them in main stream economic activity which could add to the GDP numbers.*

*The study is based on primary data collected from few women entrepreneurs by formal and informal interaction.*

**Key words:** Women, Entrepreneurs, Un-organized sector, financial freedom.

### **Introduction**

The role played by women entrepreneurs (WE) in unorganized sector is very vital from economic development point of view. The informal businesses which have not been registered with authorities are in large numbers. WE in unorganized sectors contribute a great deal for the economic growth, employment generation as well as community wellbeing. The support to the family is well recognized. The need for WE in unorganized sectors quite often stems from the need of financial independence, improving the family's standard of living, flexibility to manage the household. WE face constraints in terms of

limited market access, inadequate infrastructure, lack of formal education, socio cultural barriers and gender-based discrimination. Even though some work is done in this area there is enough scope to do research in WE in unorganized sector.

### **Literature Review**

In the work by author Rekha Pande titled Women's work in the unorganized sectors, the author looked at exploitation and globalization issues faced by women working in beedi industry.

In their paper Social Inclusion of WE in informal sector of Uttar Pradesh authors

Chandra Bhan Singh & Ankita Jasmine Lall focused on social inclusion of WE in informal sector of Uttar Pradesh.

Status of Growth Orientated WE in Indian unorganized sector author Sakshi Saini studied female owned enterprises across Indian States and sectors.

Author Rao Padala Shanmukh in the paper WE development in India presented the study on development of WE through SHG in Andhar Pradesh.

In the present paper the authors are making an attempt to present their study on few WE in Hubli Dharwad area of Karnataka State. These WE are engaged in different ventures but in unorganized sector. They are tiny but are contributing to the family support and society.

### **Objective**

The objective of the paper is to explore the WE from the angle of Age, Aspirations and Motivation for entrepreneurship, Funding, Market, Expansion plans, issues faced.

### **Methodology**

The study is based on the primary data collected by interacting with WE. The research is exploratory in nature.

In the discussion the broad issues are brought out.

The paper is sequenced into introduction, literature review, objective, methodology, the few cases of WE and discussion and conclusion.

### **Case Studies**

#### **Shankamma**

She is aged 75 a widow for last over two decades. Her son aged 35 is a mentally weak person and his behavior is unpredictable. He

stays away from home for days without any information. He is not accepted at home. Of the two daughters one of them is married and settled with her husband while the second daughter is a qualified nurse employed in government hospital but had an unhappy marriage hence stays with Shankamma. She has a 8 year old son. She is the only earning member hence dominating at home. Shankamma is at her mercy all the while and had to do the balancing act between the son and daughter.

Shankamma's husband was a drunkard and never supported the family. He spent his salary and earnings on liquor. At times he demanded money from Shankamma for meeting his liquor needs.

While the children were still studying Shankamma had to bear the entire family's responsibility. She worked as maid servant in her residential area. She requested the college authority in her area to permit her to put up to a tea and snacks stall using the hand pulled cart. She borrowed Rs 2000 to start the stall. Using the house hold items, utensils and the additional gas cylinder she set up the stall. She befriended few neighbors near the stalls to help herself with the water requirements. College students and passerby people were her customers. She would take care of her household work and start attending the stall from 11.30 and would go on upto 8.30 in the evening. Most of the colony people who passed by her stall became friendly because of her extrovert nature and providing helping hand to keep their belongings, giving information about the school children's whereabouts who alighted from the city bus and passed by her stall. She would engage with the customers when they took tea/snacks. At times she let go few changes on not having the loose coins to get

from the customers. Her average collection per day slowly reached Rs 500 and with the material cost reduced from the revenue she would earn about Rs150 daily. Her main motto was to support the family income and take care of the family. Her efforts eased the financial burden considerably. Her earning from tea stall and fees received from maid services she could run the family. A school drop out she was good at money handling and purchasing and selling the items. It was a one person show she did not look beyond the area she was serving. As days passed by one or two stalls came up next to her stalls but she was doing her business as usual. The other stalls offered the variety that affected her business. When the daughter got into government service as nurse Shankamma finally closed the shop. In the meantime the road widening work left no space for her to place the stall. Age was also catching up for her.

### **Prabha and Bhagya**

Mother–daughter duo run a private tuition class for the school children from lower KG to SSLC students. Mother is aged 50 while the daughter is aged 26. Mother is graduate and daughter is post graduate. Daughter is employed as faculty in the college. On returning home from the college the daughter joins the mother to take the tuitions to the children. Both of them engage the children 15 in numbers from 6 to 8.30 pm daily. On an average the tuitions get them monthly about Rs 10,000. All the children come from same locality around their residence. The main earner of the family (father/Husband) is gainfully employed in the government service. The monthly salary is not certain as to when it would be paid as the department is running into losses. Further the medical expenses and health issues with him does not permit him to put up the regularity in

attendance which hits the earning. The education loan taken to educate the son in Engineering and the ensuing marriage of daughter has been exerting lot of pressure on the economic needs of the family.

The main idea to run the tuition classes is to support the family earnings. The presence of other tuition classes around in the locality limit the scope for expansion. Both mother and daughter need to balance the home work and college work and allot time to limits any expansion of the classes. Holding on to the existing students is the way left to protect the earnings.

### **Nanda H**

She is aged 45 qualified with formal education and worked in corporate for about a decade. She took to freelance training in NLP ( Neuro Linguistic Program) to devote more attention to the family and children. Got trained in NLP she took to impart NLP training to both college students and corporate staff. She is active on social media to promote her training programs. Though she undertakes travel but on a day basis to return to residence on the same day after the program. She learnt driving to help mobility on her own to manage time and commute. Her membership with social club has helped her network that facilitated her to promote her program.

Though the venture is scalable but the time constraints of balancing home life with professional life demands has made her limit to local area.

Her programs are chargeable but the pricing is flexible. In a month on average, she gave two to three programs. Her earnings range between Rs 30k to 50k monthly. Her husband is gainfully employed and her earning is helping family to maintain a good standard of living.

Her earning is not a compulsion to lead the living but having had the professional career and worked earlier the passion to keep herself busy took her to freelance work. She is well dressed to fit her appearance as a trainer during her program. Skill and knowledge is her main strength

### **Sumangala**

She is aged 28 educated up to SSLC and has completed the course in beautician. She is single. Parents do not have formal schooling education. She is the eldest of two children to her parents. She is capable of riding two-wheeler and has her own vehicle. She is able to move on her own on demand. She takes wedding contracts in bride grooming, saree draping to females' members during wedding. She also performs the dance that is organized by the host to engage the invitees during the wedding ceremony. Barring very few of her close acquaintances she does not provide home services in beauty care but provides the same from her residence. She accepts the out of station wedding contracts and stays away from home for the required number of days. She charges professional fees ranging from one thousand to five thousand for her sitting. She has completed advanced course in beautician recently and upgraded her skills. Most of her clients are developed by word of mouth and the quality of services. During the wedding season her engagement are pre-booked and she is not available on call. On an average during wedding season her monthly earnings ranges between Rs 40,000 to Rs 50,000. Although her marriage is not on the cards but she is clear that post marriage she would continue to provide the services and stay in the profession. She does not have any expansion plan drawn formally but her confidence is high on her skills. By self-investment she has acquired the required material and equipments. She has no

plans to seek any financial assistance from outside sources.

### **Chandravva**

She is aged 45. She did not go to school. She is a vegetable vendor who sells the vegetables door to door by moving around in the residential colony using and pulling the cart. The cart is customized to accommodate variety of vegetables. She buys the vegetables from the APMC market in the morning by 9am and gets on with the selling in the nearby colony from 10 and continues up-to 1.30 to 2pm on daily basis. She is quite familiar with the ladies who buy the vegetables from her in the colony. The familiarity has helped her to understand the general requirements of the buyers. Using this knowledge, she stocks the vegetables in demand and finds most of the stock is liquidated. Her familiarity with the buyers in terms of their buying behavior has been helping her how to handle negotiation and where the prices are accepted without any fuss. She would build her margin suitably as per the buyers. On daily basis she invested about Rs 2000 to buy the vegetables and sell to make around Rs 2500. At times she gets one day credit from the APMC suppliers as a market practice for the regular buyers but most of the time it is cash basis. The poverty and economic conditions at home has driven her to selling vegetables. She is good at routine calculation to receive and return money correctly while selling the vegetables. She also entertains credit sales for a day or two with few regular buyers. It is one person show and within the time available she balances her domestic work with vegetable vending work.

### **Sheela**

She is aged 35 and sells vegetables in the weekly market. She is schooled up to SSLC. She is mobile vegetable seller. In Hubli different areas/localities have the weekly vegetable market days from Monday to

Sunday. She sets her vegetable stall for four days in four localities and sells the vegetables. Saturday and Sunday she takes off. She buys the vegetables from the APMC market and sells. Rarely she finds any unsold inventory for her to take home after the days work. She has acquired fair knowledge of the market in all the locality and accordingly she carries the stock. Her daily investment in vegetable is about Rs 3000 and the earning upto Rs 3500 plus. Supplementing the family earnings drew her to vegetable selling. Husband is casual labor and works in field.

### **Meena**

She is aged 30 and has a kid. No formal schooling she has gone through. She specializes in selling flowers in the weekly market all over the city for five days. She is mobile flower seller. In all the weekly markets she has marked her sitting place and stays there for full day from 10 to 4pm. She sells both loose flowers and in plastic bag a given number of flowers priced at Rs 10 or Rs 20 depending upon the season. The count in all the bags is around 15 pieces of flowers. Good at talking to the customers she has no competitor around her in the weekly market in all the places. She buys the flowers from APMC and sells. The daily investment is Rs 1000 and makes Rs 1200 to 1300. She takes care of the kid by carrying the kid with her and breast feeds the kid while attending the work. Family economic conditions has brought her to the flower selling to support the earning. Beyond flower selling she has little to think of.

### **Dakshayani**

She is aged 45 and schooled upto SSLC. She has a college going son and aspires to study up to postgraduate level. The regular nagging trouble at home by in-laws and husband made her life difficult. The husband is a casual worker and mother-in-law always controlled the husband. The occasional medical issues at

home have put lot of strain on economic conditions at home. She constantly seeks to get the benefit provided by the government of Karnataka like Bhagyalaxmi scheme but the limited knowledge of procedure she is subjected to exploitation by agents. Yet not deterred by the hardship she bakes/makes on daily basis 200 Jowar rotis to be supplied to the local hotel. This occupies her three hours in the morning time. Managing the domestic work and the pestering by mother-in-law she does house maid work in few houses to earn about Rs 6000 each monthly. The maid servant duty includes washing clothes, cleaning utensils, cooking and cleaning and sweeping the floor at the landlord's place. The sheer poverty and economic conditions have pushed her into what she is doing.

### **Discussion**

The cases presented in the foregoing paragraphs leads to the following insights into WE.

- 1) Aspirations: They are more driven by the necessity of supporting and supplementing the family income due to the gap between income and living expenses. They are as it appears are not by choices but by compulsion type WE.
- 2) Time: Balancing both the domestic work and attending to the work to earn for family limited the scope for any expansion or development. This further supports the case for compulsion driven WE.
- 3) Legal status The absence of legal status by way of any registration hinders the scope for tapping official sources of finance such as bank finance. The lack of interest or intention to seek legal status is due to aspirations and time constraints and the fear of compliance.
- 4) Transactions: Most of the transaction are done on cash basis. This does not help build the economic profile of the venture which

facilitates the banks or financial institution to assess the credit worthiness of the WE.

5) Societal perception: Most of the ventures are very tiny and driven by compulsion the societal perception and acceptance is always in doubt hence the tendency to not to pass on the ventures to the next line/generation is absent. Let my children not suffer what I suffered is the attitude. Therefore, the continuity is not very high

6) GDP: Though vital but they not find a place in GDP of the country. The cash translation and no filing of any compliance reports due to the absence of legal status deprives the country the vital GDP numbers

7) Vulnerable: Any big shock like medical emergency puts strain on the ventures and ventures tend to fail to recover from the shock. Any small capital builds up gets wiped out. The loans if any raised to meet the shock tend to put pressure on the economic wellbeing of the family and the venture.

8) Marketing: The limited view of the venture doesn't give rise to the need of marketing and promotion. It is only the passive word of mouth promotion gets into action

9) Management Knowledge: The formal knowledge of management concepts is absent but the acquired experience makes them capable of managing ventures. The experience gained gives great understanding of markets and buyers but after sometime the constraints start surfacing.

10) Financial Support: The absence of bank finance facility and limited resources either limits the expansion or pushes ventures to private high-cost finance and erodes the margin. Once any mismatch takes place in private finance the ventures get dragged into vicious cycle

## Conclusion

WE in unorganized sector despite the limitations and limited aspirations provided a well needed financial support to the family income. Their presence and operations help meet society's needs to a larger extent. They take care of a vital marketing channel for last mile connectivity. Given the management inputs and financial support, WE possess the potential to scale. Further the types of services WE provide help a great deal to meet the services requirements facilitating the service seekers to concentrate on their main stream activities. It is win-win situation for all.

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