

## **CHAPTER VII**

### **SUMMARY, CONCLUSIONS AND POLICY RECOMMENDATIONS**

#### **7. Introduction**

In the present phase of privatization and globalization, capital market is growing but job market is shrinking. The present phase is the phase of jobless growth. Although with the expansion of service sector job market is expanding, but these jobs are either of specific nature requiring specific skill and expertise; or not suitable for women folk to opt for jobs in private companies that require long hours of work. At the same time job security is not there. No regular jobs are available. Thus, the tendency to become self-employed, especially among women, has been increasing. Obviously, there is a dire need to conduct a study that could provide us the details of self-employed women.

The present work is an attempt to analyse the socio-economic conditions of self-employed women, factors affecting their entry into self-employment and problems faced by them. Though a lot of documented evidence is available on employment characteristics, comparative studies of male and female employment etc, but very little research work on self-employed women is available. The documented evidence on self-employed women primarily focuses on some social aspects as the educational level, challenges and problems encountered, marital status, age group etc. The operational details of self-employed women are generally missing in existing literature. So this study focuses on the social and operational details of self-employed women, factors affecting their entry into self-employment and problems faced by them.

## **7.1 Objectives**

The broad objective of the study is to analyze the pattern of the self-employed women and the specific problems faced by them. The other specific objectives of the study are as follows.

- a) To study the structural changes in women employment in India and Punjab
- b) To explore the socio-economic profile of self-employed women.
- c) To identify the factors that motivated or compelled the women to enter into employment and in the category of self-employed.
- d) To study the problems and constraints being faced by self employed women.
- e) To know the extent of fulfilment and the level of expectations of self employed women.
- f) To suggest some policy recommendations based on empirical analysis.

## **7.2 Research Methodology**

Under this the following aspects are covered:

### **7.2.1 Description of Study Area**

More specifically, in Punjab, Patiala district has been chosen for this study. Patiala, an erstwhile princely state and a district of Punjab, is situated in the Malwa region of Punjab. Patiala has been cultural and academic center of northern India.

### **7.2.2 Sampling Design and Data Collection**

To study the socio-economic conditions of self-employed women in Punjab, multi-stage random sampling technique is

adopted. In the initial stage, Patiala district is selected on the basis of convenience, as the district was familiar to the researcher. In second stage, all tehsils of Patiala district (Patiala, Rajpura, Nabha, Patran and Samana) have been selected. Finally, 60 self-employed women who are engaged in manufacturing of traditional products like at domestic level like tailoring, knitting, handicraft, pickle making units, papad/vadiya making, paranda/dori/nala making, tiffin service and other products like khes, hand fans or carry bags from newspapers etc., from each tehsil are selected randomly. The sample size undertaken is that of 300 self-employed women on convenience basis. Moreover, the study primarily focuses on the urban self-employed women running their domestic manufacturing units.

To evaluate the objectives of the study, required data has been collected from secondary as well as primary sources.

### ***Secondary Data***

The secondary sources are NSSO reports, covering the period from 1987-88 to 2011-12 in different rounds.

### ***Primary Data***

The data required for the study are collected from the selected respondents by personal interview method. The personal interview has been conducted through a well-structured questionnaire, which has been prepared through relevant research studies and pre-tested and revised before going in for the collection of information from self-employed women. The questionnaire has been divided into two main sections.

Section A deals with the social information of self-employed women i.e. age, education level, family background, marital status, social status, etc. In Section B, we have tried to collect

information on the various operational issues of self-employed women such as the type of activity that they are carrying on, how much capital they have invested, what is the source of finance, number of workers employed by them, source of raw material, number of hours spent by them on work, their ownership of the premises, factors which compelled the women to enter into employment, the problem faced by them and how they were able to overcome their problems.

### **7.2.3 Data Analysis**

The collected data are tabulated and analyzed. Simple averages along with percentage analyses are used to study the socio-economic characteristics of the sampled respondents. Diagrammatic presentation like flow charts, bar diagrams and pie diagrams are used to present the results more explicitly.

## **7.3 Research Hypothesis**

- Women in India are still predominately self-employed.
- Women work participation in Punjab is relatively higher as self-employed than regular employed.
- The casualisation of women workers has increased in Punjab.
- There are number of socio-economic factors which are pushing or pulling the women into the labour markets such as lack of employment opportunities, lack of education at higher level, large families, income of family, joint family system, self esteem etc.
- Self-employed women face various types' of problems and constraints i.e. financial problem, family restrictions, and lack of family support etc., which discourage them pursuing their work. Though these are in initial stages.

## **7.4 Summary and Main Findings**

The emergence of self-employed women and their contribution to the national economy is quite visible in India. The number of self-employed women has grown over a period of time, especially in the 1990s. Self-employed women need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other working women in the organized sector. While self employed women have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are.

The summary and main findings of this study are as follows.

1. A perusal of NSSO data usual status workers in India by sex and region from 1987-88 to 2011-12 show that the workforce participation rates have remained substantially higher for male than that of female at both rural and urban level for whole of the period under study. Data show that male work participation rate increased at all India level as well as at rural and urban level during pre-reform period. At all India level the percentage of male workers increased from 53.1 percent in 1987-88 to 54.5 percent in 1993-94; from 53.9 percent to 55.3 percent for rural India and 50.6 percent to 52.1 percent for urban India during said period. On the hand, female work participation rate also increased at all India level as well as rural and urban level in same period. At all India level the percentage of female workers increased from 28.5 percent in 1987-88 to 28.6 percent in 1993-94; from 32.3 percent to 32.8 percent for rural India and 15.2 percent to 15.5 percent for urban India during said period. The total work

participation rate increased from 41.2 percent in 1987-88 to 42 percent in 1993-94. The increase in female work participation has been lower than male work participation and also urban female work participation rates have been markedly lower than that of rural. During post reform period (from 1993-94 to 2011-12), at all India level both male and female work participation rates have decreased. Male work participation has decreased from 54.5 percent in 1993-94 to 54.4 percent in 2011-12 for India and 55.3 percent to 54.3 percent for rural India for same time period. But in urban India, it has been increased from 52.2 in 1993-94 to 54.6 percent in 2011-12. Female work participation has decreased substantially from 28.6 percent in 1993-94 to 21.9 percent in 2011-12 for India; 32.8 percent in 1993-94 to 28.8 percent in 2011-12 for rural India and 15.5 percent to 14.7 percent in urban India for same time period.

2. The distribution of workers by category or the mode of employment, i.e. self-employment, casual employment and regular employment reveals the nature of the employment problem. The proportion of self-employed in Indian workforce constitutes the single largest share. This section of the workforce does not operate in the labour market for wages or earnings, but to earn profits out of their own enterprises. As per NSSO reports from 1987-88 to 2011-12, self-employment has, of course, always predominated over regular employment and casual employment, both in case of male and female. Rate of female self-employment is more than that of rate of self-employed male in India. As per NSSO report of 2011-12, rate of self-employed male is 50.7 percent and self-employed female is 56.1 percent. In rural India, work participation of male as self-employed is 54.5 and that of female is 59.3 percent. In urban India, male work

participation of male as self-employed is 41.7 percent and that of female is 42.8 percent during 2011-12. Percentage of self-employed female is more in rural India than that of in urban India. It is because of the dominance of peasant agriculture.

3. In Punjab, highlights that the total work participation at rural and urban both levels, has increased in Punjab. The highest work participation rate in pre-reform period was registered by rural males i.e. 56.7 in 1987-88. During post reform period rural male work participation rate increased from 54.6 in 1993-94 percent in to 56.6 percent in 2011-12 and urban male work participation rate increased from 55.3 percent to 57 percent between same periods. The female work participation rate in urban area has decreased from 12.3 percent during 1987-88 to 9.3 percent in 1993-94 and thereafter increased to 13.6 percent in 2011-12. In rural area, it has decreased from 31.7 percent in 1987-88 to 22 percent in 1993-94 and thereafter increased to 23.4 percent in 2011-12. During pre-reform period, female work participation has declined due to a slow but steady change in workforce pattern in the state of Punjab. But during post reform period, it has shown good ups especially in female work participation rate.

4. Self-employment is relatively predominant form of employment in Punjab both for male and female workers. It accounts for nearly half of the female work force. The percentage of self-employed female workers in urban Punjab has decreased from 58.1 percent in 1987-88 to 50 percent in 1993-94 and further decreased to 41.1 percent in 2011-12. In rural Punjab, it has decreased from 85.2 percent in 1987-88 to 85 percent in 1993-94 and further decreased to 77.8 percent in 2011-12. Self-

employed female has significant share in their work participation. In urban Punjab, female workers have shifted from self-employed category to more as regular employees and in rural Punjab, they have shifted to more as casual workers.

5. The empirical analysis of self-employed women in Patiala District reveals that 82 percent of sampled women are married as women have tendency to start work after marriage. The proportion of unmarried to married self-employed women is quite low. This is because generally unmarried women maintain their dependence upon their parents till they get married. The majority of women fall in the age group of 31-40. This is due to the fact that the most important phase during which most of the women enter into employment usually coincides with the period when they are free from their basic duty of child rearing practices and after fulfilling other social responsibilities until the period when their children start taking care of themselves, say going to school or colleges. This shows that women have tendency to start their profession after marriage. As far as education is concerned, nearly 27 percent have qualification up to matriculation level. 23 percent are graduated and 7 percent are postgraduate. Education has impact on level of activity in which they are involved. Those who have education up to matriculation level, are mainly involved in traditional activities like paranda/dori/nala making, papad/vadiya making etc, which does not require any formal education. Those, who are graduate or postgraduate women, are engaged in boutiques. Some of them are even professionally equipped women in the field of education, management, computers, and they have opted for self-employment as a career under unemployment pressure. In this sample, nearly 54 percent self-employed women spend 4-

8 hours on their work because they enter into business activity besides attending their household chores. Even 31 percent spend even more than 8 hours. It may be because those who are part of joint family system, where responsibilities are distributed or they are free from child rearing responsibilities as their children are grown up and need less of their time or they are still unmarried. We have taken traditional definition of nuclear family, comprising husband, wife and children. In joint family structure, parents of husband are also living with them. 60 percent of the women belong to nuclear family and 40 percent to joint family. Majority of women have either parent's or partner's occupational background.

6. As far as operational details are concerned, out of 300 self-employed women, 29.33 percent are engaged in tailoring/boutiques, 21.33 percent are in knitting, 17 percent are in handicraft, 11.33 percent are in papad/ vadiya making, 6.33 percent are in pickle making, 9.33 percent are in paranda/doriya/naade making, 3 percent are in cooking providing tiffin service and 2.33percent are involved in production of other goods like khes, hand fans, carry bags from newspaper etc. Majority of the women (87percent) are working in their home premises. This helps them in managing both the household chores and the occupational work simultaneously. In spite of their small scale at home and low profits, they invariably provide essential sources of income for the households. In fact they are supplementing their family income. Generally, they are working at local level. The source of raw material and equipment is also local market. They cater to the local needs mostly. Some of them are also marketing their product at national and international level, specially the dress material prepared by

boutiques. Nearly 34 percent women are working without help of any worker. Other 66 percent are working with the help of workers. Regarding price of product, most of the women fix price on cost plus basis and have direct relation with customers. For sale promotion, they concentrate on improving quality. Some women also go for advertisement through leaflets or banners. As they are working in their in-house premises so they need less capital. Nearly 53 percent women have invested less than one lakh rupees on their unit. Some have invested even more than 5 lakh rupees that are either running boutiques or involved in tiffin service. For finance, 40 percent respondents have used their own savings to start their work. These includes those who need less amount to start their work like papad/ vadiya making, paranda making knitting or handicraft etc .There are 19 percent respondents who are financed by their husband and 15 percent respondents are financed by their parents or parents-in-laws. This shows participative behavior of family. Self-employment does not only make the women economically independent but also provides them non-monetary benefits. They believe that having self-employed their self confidence has boosted, their communication ability has improved and also they have got respect from family and society.

7. This study has also tried to find out the different crucial factors which are concerned with the women self-employment opportunities at large. Factors have been categorized into pull factors and push factors. In general, self-inspiration is the most important factor that pulled women to self-employment irrespective of the level of working. The prime motivators are thus found to be the self-employed women themselves. They have the urge to start business on their own. Most of the women

ventured into enterprises primarily to support their families. This seems to be the most important motivation for starting business. The urge to be on one's own footing rather than working for somebody else is the next important motivating factor for starting domestic manufacturing unit. The self-employed women start these units primarily to support their families as well as to fulfill their ambition of being on their own. This reflects the nature of self-employment at domestic level, which still seems to be rooted in the satisfaction of basic needs such as supporting the family. Entry into business is not driven out of compulsion, but seems to be driven by the need to express oneself. Push factors such as unemployment and job dissatisfaction are not given relatively high scores by the sampled women. Our discussion on the prime motivators also brings out that the women are also more influenced by success stories of other self-employed women. The skills and experience a person acquires prior to starting a new venture have some influence in facilitating entry.

8. The self-employed women face various constraints in aspects of personal, financial, marketing, production and workers related problems. Personal problems are mainly related with resistance of family at initial stage, lack of co-operation of family and discharging dual duties of being self-employed and a housewife. In this study, nearly 50 percent women are facing problem of dual duty; followed by non-co-operation from family members is faced by 41 percent respondents. Financial problems faced are related to non availability of long-term finance, regular and frequent need of working capital, complicated system, tight repayment schedule and providing collateral security. Nearly 37 percent respondents said that they are unable to understand

complicated systems of loan. Nearly 30 percent are facing problem of repayment and 25 percent women said that they have no collateral security against which they can get loan. Production problems include the problem of non availability or high cost of raw material. Women also face problem of improper space facility. Most of the (nearly 58 percent) self-employed women also face problem related to retention of workers. They have to deal with the negative attitude of the workers; especially male workers due to male ego. Cut-throat competition is the major marketing problems faced by nearly 60 percent respondents. Suggestions perceived from respondents and guidelines framed as a solution to these problems can help them to deal with these problems effectively.

## **7.5 Policy Recommendations**

On the basis of available literature, findings and observations, some recommendations have been formulated and are listed below.

### ***1. Information and Awareness***

- Awareness about self-employment as career option for women needs to be created in society at large. This could be done through well planned publicity campaigns launched through newspapers, radio and televisions. Such efforts could be directed at changing the traditional values of society at large, so that conducive environment for self-employed women is gradually created.
- Concepts related to women self-employment should be introduced in school and college curricula, while vocational guidance cells in schools and colleges

should be equipped with knowledge and information on self-employment as a career choice.

- There is acute scarcity of information which would be useful for self-employed women. It would be useful to develop women's cells throughout the country which could have information database to be availed by self-employed women related to finance facilities, raw material procurement, marketing facilities etc. a membership fees could be charged for services rendered so as to make the cell self sustaining. Although women's cell do exist at present in general, but their functioning is not as widespread as required.
- The Government of India and Punjab State have introduced various schemes. However, there is lack of awareness among self-employed women towards these schemes, training and financial institutions. Therefore, it is very essential to bring awareness among self-employed women through awareness programmes, interaction with successful women, film slides, T.V interviews, panel discussion, seminars and workshops to encourage self-employment among women.

## ***2. Policy Implementations***

- There is crucial need for ongoing monitoring of policy implementation in terms of its effectiveness, extent and scope, shortcoming and impact, especially in urban areas, so that correct measures in order to increase the efficiency can be undertaken.

- Policy implementation depends largely on commitment, professional approach, goal orientation and attitude of change agents involved in promoting women enterprises. Thus it is of vital importance that human resource development of these agents should be undertaken so that personnel at all level are motivated to perform best of their abilities.

### ***3. Extension of Incentives to Self-Employed Women Working at Domestic Level***

- The Government has been providing incentives to the registered entrepreneurs under entrepreneurial memorandum. However, there are many women who are working at small and domestic level without registration. Therefore, the governments may extend incentives of to these self-employed women irrespective of their size, nature, caste and creed in the interest of development of self-employment among women.

### ***4. Finance***

- A serious problem faced by self-employed women is that they have to start repaying the loan back, before they start getting any returns from the investment. Increasing the starting point of repayment has been recommended by various bodies but has not been acted upon. Repayment schedule should be phased and flexible to allow for unforeseen contingencies that re bound to arise in the initial stages of establishment of domestic manufacturing unit by women.

- Poor women have a particular need for small short term loans. This is because, in general, their turnover is low in initial stages and they have less confidence to contract larger loans. It is therefore important to provide short term loan facilities expeditiously, to allow clients to take advantage of economic opportunities as they arise.
- The long term goal of targeted credit programmes should be to become superfluous. To make targeting unnecessary requires an improvement in the outreach of formal financial institutions and improved access of women to formal market credit. Reduction of transaction cost and risks is equally important to encourage more institutions to lend to poor women running domestic manufacturing units. Loan conditions should also be as flexible as possible to allow women to obtain the exact services they require.
- To overcome the hostile image and lack of confidence which most of the self-employed women have in them, banks need to improve their communication and public image. Local branches should have the flexibility of responding to local needs and conditions. Once a clear picture of local needs is available to the bank, it should formulate an appropriate strategy for reaching self-employed women. Information on the various activities of banks like what bank has to offer, how it works, requirements of obtaining credit, rules concerning repayment, special schemes and

incentives etc. should be made available to self-employed women and women's groups.

- The progress of women self-employment in India has been much lower as compared to some advanced countries of the world. This may be due to lack of financial and infrastructural support to potential women. Further, it is very difficult for self-employed women at domestic level to borrow from banks for investments in productive activities without collateral security and surety. However, they can borrow only through self help groups and the amount of lending under SHG has been too less than actual requirements for investments. Therefore, there has a need of setting up of separate bank for women entrepreneurs at the grass root level to finance directly to undertake entrepreneurial activities.

### **5. *Self-Employed Women's Co-operative Societies***

- Establishment of self-employed women's co-operative societies solves problems like credit, raw material, packing, pricing, branding, marketing etc. In addition, it assists in protecting rights of self-employed women. Further, there has no such cooperative society in study area. Therefore, it is necessary to set up self-employed women's co-operative societies to solve the problems of financing, production and distribution.

### **6. *Marketing***

- A certain proportion of marketing centers at prime location should be exclusively allotted for self employed women. Facilities of exhibitions of product

of self-employed women's domestic units should be available at nominal charges.

## **7. Support and Networking**

- Promotional and developmental organizations should identify and promote projects suitable for self-employed women working at domestic level.
- It is imperative to ensure that existing counseling centers for self-employed women should have women counselors rather than men.
- There needs to be proper networking amongst developmental organizations, both governmental and non-governmental. There is need to link skill development organizations with self-employment development agencies for effective development interventions. Role of NGO's is equally important toward this direction.

## **7.6 CONCLUSIONS**

At the end it is concluded that the past image of restricted and home bound women is slowly going under change. The women even after facing many problems are now getting educated and economically independent. They start manufacturing unit at domestic level primarily to support their families as well as to fulfill their ambition of being on their own. The government has come forward with many schemes, concessions and incentives exclusively for self-employed women. But in spite of these, self-employed women have to go a long way fulfilling their multiple roles as mother, wife and business women. Self-employed women have faced constraints of financial, personal, production, labour and marketing. Creating awareness, provide adequate and practical oriented training,

extension of incentives to self-employed women working at domestic level, establishing self-employed women's co-operative societies, simplified procedure and documentation for availing benefits of schemes and setting up of self-employed women's banks ,can solve the problems of self-employed women to a greater extent. Efforts should be made for their capacity building; so that they are able to realize their self-esteem, gain confidence and become equal partners in the development process of the economy and society.