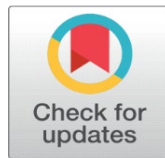


A STUDY ON PERCEPTION OF SMALL-SCALE ENTREPRENEURS TOWARDS ECONOMIC EMPOWERMENT IN THIRUVANANTHAPURAM DISTRICT

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DOI

[10.29121/shodhkosh.v5.i4.2024.4894](https://doi.org/10.29121/shodhkosh.v5.i4.2024.4894)

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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ABSTRACT

This study investigates the multifaceted perceptions of economic empowerment held by small-scale entrepreneurs within the unique socio-economic landscape of Kerala, India. Recognizing the significant role of small businesses in Kerala's economy and their potential as catalysts for individual and community-level economic advancement, this research delves into how these entrepreneurs conceptualize and experience economic empowerment. Moving beyond purely financial metrics, the study explores the diverse dimensions of empowerment as perceived by this crucial segment, encompassing aspects such as financial independence, control over resources and decision-making, social recognition, contribution to well-being, and personal growth. Ultimately, this research contributes to a more comprehensive understanding of economic empowerment from the perspective of those actively engaged in small-scale entrepreneurship in Thiruvananthapuram district. The insights gained from this study hold significant implications for policymakers, support organizations, and practitioners seeking to promote sustainable economic growth and empower local communities through the strengthening of the small business sector in the state. By understanding the entrepreneurs' own definitions and experiences of economic empowerment, interventions can be more effectively tailored to their needs and aspirations, fostering a more inclusive and equitable economic landscape in Thiruvananthapuram district, Kerala.

Keywords: Small Scale, Entrepreneurs, Economic, Empowerment

1. INTRODUCTION

Small-scale entrepreneurship forms a vital cornerstone of economic activity in India, acting as a significant engine for job creation, income generation, and regional development. Within this national landscape, the state of Kerala presents a unique socio-economic context characterized by high literacy rates, a strong emphasis on social welfare, a vibrant civil society, and a history of significant labor migration and remittances. These distinct features shape the entrepreneurial ecosystem and potentially influence how individuals engaged in small businesses perceive and experience economic empowerment. This study endeavors to delve into the perceptions of economic empowerment held by small-scale entrepreneurs in Kerala, seeking to understand the multifaceted ways in which they define, pursue, and experience economic independence and agency through their entrepreneurial endeavors.

Economic empowerment, as a concept, transcends mere financial gains. It encompasses a broader spectrum of capabilities and opportunities that enable individuals to exercise control over their resources, make informed decisions about their lives, and participate meaningfully in the economic and social spheres. This includes not only financial security and stability but also factors such as access to assets, control over income, enhanced bargaining power, improved social standing, and the capacity to contribute to the well-being of their families and communities. In the context of entrepreneurship, economic empowerment can manifest through the autonomy to make business decisions, the ability to generate sustainable livelihoods, the accumulation of assets, the creation of employment opportunities for others, and the enhanced social capital and recognition that often accompany successful ventures.

The link between small-scale entrepreneurship and economic empowerment is intrinsically strong. For many individuals, particularly in developing economies, starting a small business offers a pathway to escape poverty, gain financial independence, and improve their overall quality of life. Entrepreneurial activity can provide a sense of ownership and control, fostering self-reliance and reducing dependence on external forces. Moreover, successful small businesses can contribute significantly to the economic empowerment of communities by creating jobs, stimulating local economies, and fostering a culture of innovation and self-sufficiency.

However, the perception and experience of economic empowerment can be highly context-specific, shaped by individual circumstances, socio-cultural norms, and the broader economic environment. In Kerala, the unique socio-economic fabric, with its emphasis on education, social justice, and a strong role for cooperative movements, may influence how small-scale entrepreneurs understand and value different dimensions of economic empowerment. For instance, the high literacy rates might lead to a greater emphasis on knowledge acquisition and skill development as key aspects of empowerment, while the strong social safety nets could potentially shape the perception of risk and the pursuit of entrepreneurial ventures. Furthermore, the historical context of labor migration and remittances might influence the aspirations and financial management practices of entrepreneurs.

Despite the acknowledged importance of small-scale entrepreneurship and the broader concept of economic empowerment, there is a need for a deeper understanding of how these concepts are perceived and experienced by the entrepreneurs themselves, particularly within the specific context of Kerala. Existing literature often focuses on macro-level indicators of economic development or general studies on entrepreneurship, with less emphasis on the subjective experiences and interpretations of economic empowerment from the perspective of small business owners at the grassroots level in this unique state. Understanding their perspectives is crucial for formulating effective policies and support mechanisms that truly resonate with their needs and aspirations.

This research aims to provide valuable insights into the lived realities of small-scale entrepreneurs in Kerala especially in Thiruvananthapuram district and contribute to a more nuanced understanding of the interplay between entrepreneurship and economic empowerment in a specific regional context. The findings of this study are expected to inform policy decisions, guide the design of effective support programs, and ultimately contribute to the creation of a more enabling environment for the growth and sustainable economic empowerment of small-scale entrepreneurs in Thiruvananthapuram district, Kerala.

1.1. SMALL SCALE INDUSTRIES (SSI)

Small Scale Industries (SSI) are industries that manufacture, produce and render services on a small or micro scale level. In India, several SSIs exist in various fields such as handicrafts, toys, weaving, pickle making, food products, etc. These industries make a one-time investment in machinery, plant, and equipment, but it does not exceed Rs.10 crore and annual turnover does not exceed Rs.50 crore.

Earlier industries that manufactured goods and provided services on a small scale or micro-scale basis were granted Small Scale Industries (SSI) registration by the Ministry of Small Scale Industries. However, after the government passed the MSME (Micro, Small and Medium Enterprises) Act in 2006, the small and micro-scale industries came under the MSME Act.

On 9 May 2007, subsequent to the amendment of the Government of India (Allocation of Business) Rules, 1961, the Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries were merged to form the Ministry of Micro, Small and Medium Enterprises. Thus, the SSIs are included under the Ministry of MSME. Currently, the SSIs are classified as small or micro-scale industries based on the turnover and investment limits provided under the MSME Act

and they need to obtain MSME registration. The government provides many benefits to the small scale industries having MSME registration at present.

1.2. CHARACTERISTICS OF SSI

- **Ownership**

SSI's generally are under single ownership. So it can either be a sole proprietorship or sometimes a partnership firm.

- **Management**

Generally, both the management and the control is with the owner/owners. Hence the owner is actively involved in the day-to-day activities of the business.

- **Labor Intensive**

SSI's dependence on technology is pretty limited. Hence they tend to use labour and manpower for their production activities.

- **Flexibility**

SSI's are more adaptable to their changing business environment. So in case of amendments or unexpected developments, they are flexible enough to adapt and carry on, unlike large industries.

- **Limited Reach**

Small scale industries have a restricted zone of operations. Hence, they can meet their local and regional demand.

- **Resources Utilisation**

They use local and readily available resources which helps the economy fully utilize natural resources with minimum wastage.

1.3. TYPES OF SSI

SSI are primarily categorised into 3 types, based on the nature of work carried out, which are as follows:

1) **Manufacturing Industries**

The manufacturing industries manufacture finished goods for consumption or used further in processing. Some examples of such SSIs are food processing units, power looms, engineering units, etc.

2) **Ancillary Industries**

Ancillary industries manufacture components for other manufacturers. These manufacturers then assemble the final product. Big companies manufacture finished goods, but they do not generally make all the parts themselves. The vendors of such big companies are ancillary industries.

3) **Service Industries**

Service-based industries are not involved in any kind of manufacturing products. They provide services such as repair, maintenance and upkeep of the products after-sales.

4) **Export Units**

An SSI is considered as an export unit when the exporting is more than 50% of its production.

5) **Cottage Units**

The cottage units are considered as SSIs when they do not involve a dedicated facility and are carried out within living spaces or houses of the owners.

6) **Village Industries**

An SSI is considered village industries when they are established in rural areas and are not part of the organized sector. Typically, these industries solely depend on human labour for production.

2. REVIEW OF LITERATURE

Veerappan, N. and Sathishkumar, D. (2016) Impact of industrial policy on small scale industries (SSI): An exploratory study on Indian SSI. Small scale industries (SSI) play a major role in economic development of India. Tamilnadu is one of the developed states in terms of industrial production in India. Erode district is industrial developing district in the state. The success and failure of SSI is determined by industrial policy for SSI. Micro, small and medium enterprise (MSME) department announced industrial policy every year. The main focus on the industrial policy is creating awareness and effective utilization of incentives and subsidies. But there is a gap between the content and the usage of industrial policy. So, there is a need to measure impact of industrial policy on SSI.

Singh, H., Singh, R. and Singh, T. (2015) Small business management challenges and road of opportunities: an Indian prospective. Small Enterprises play a pivotal role in the economic and social development of the country. It also plays a key role in the development of the economy with its effective, efficient, flexible and innovative entrepreneurial spirit. Small Enterprises contribute nearly 8% of the country's GDP, 45 %of the manufacturing output and 40 %of the exports. They provide the largest share of employment after agriculture. It employs 60 million people, create 1.3 million jobs every year. It produces more than 8,000 quality products for the Indian and international markets.

2.1. STATEMENT OF THE PROBLEM

Despite the acknowledged significance of small-scale entrepreneurs in Kerala's economy and their potential to drive economic empowerment, there is a limited understanding of how these entrepreneurs themselves perceive and define economic empowerment within the specific socio-cultural and economic context of the state. Existing research often focuses on macro-level indicators or general entrepreneurial challenges, overlooking the subjective experiences and nuanced understandings of economic empowerment from the perspective of small business owners at the grassroots level in Kerala. This gap in knowledge hinders the development of targeted and effective policies and support mechanisms that truly resonate with the aspirations and needs of these entrepreneurs, thereby potentially limiting their ability to fully achieve economic independence and contribute to broader economic development in the region.

2.2. SCOPE OF THE STUDY

The scope of this study is specifically focused on understanding the perceptions of economic empowerment held by small-scale entrepreneurs operating within the geographical boundaries of Thiruvananthapuram district, Kerala. The research will primarily investigate the subjective experiences, definitions, and interpretations of economic empowerment from the entrepreneurs' own perspectives, encompassing dimensions beyond purely financial metrics, such as control over resources, decision-making autonomy, social recognition, and perceived contributions to well-being. The study will consider entrepreneurs across various sectors prevalent in Thiruvananthapuram district.

2.3. OBJECTIVES OF THE STUDY

- To know the perception of entrepreneurs towards economic empowerment
- To know the challenges and opportunities of small scale entrepreneurs

3. RESEARCH METHODOLOGY

An analytical research design was adopted to conduct the study. Both primary and secondary data were used for the study. The primary data were collected through interview schedule with the help of a structured questionnaire. The secondary data were collected from various journals, books, Government reports and websites.

3.1. SAMPLE SIZE

For the present study 100 small scale entrepreneurs were selected as respondents from Thiruvananthapuram district.

3.2. SAMPLING TECHNIQUE

For selecting the sample size convenient random sampling were used

3.3. TOOLS FOR ANALYSIS

For the effectiveness of study Primary data were analyzed:-

- Likert Five Point Scaling Technique
- Henry Garrette Ranking Method

4. RESEARCH RESULTS AND DISCUSSION

4.1. ENTREPRENEURS PERCEPTION TOWARDS ECONOMIC EMPOWERMENT

[Strongly Agree: 5, Agree: 4, Neutral: 3, Disagree: 2, Strongly disagree: 1]

Factors	5	4	3	2	1	Total Score	Mean
a) Financial Independence and Security	125	120	45	30	15	335	3.35
b) Control Over Business Decisions and Resources	175	108	15	26	6	330	3.3
c) Self-Reliance and Reduced Dependence	100	76	66	38	20	300	3
d) Improved Social Standing and Recognition	205	120	45	16	6	392	4
e) Contribution to Family and Community Well-being	190	168	15	26	6	405	4.05
f) Personal Growth and Skill Development	175	108	54	26	7	370	3.7
g) Exploitation and Unfair Competition	39	32	16	2	11	386	3.9
h) Bureaucracy and Regulatory Burden	160	112	36	32	12	352	3.52

Source: Primary data

Table: 1 shows the perception of entrepreneurs towards economic empowerment. The highest mean score 4.05, and 4 representing most of the respondents have a positive view towards economic empowerment. The mean scores 3.9 and 3.52 represents the negative view of entrepreneurs towards economic empowerment because they have fear about unfair competition and they have to deals with complex regulation.

Table 2 Challenges Faced by Small Scale Entrepreneurs

[Strongly Agree: 5, Agree: 4, Neutral: 3, Disagree: 2, Strongly disagree: 1]

Factors	5	4	3	2	1	Total Score	Mean
a) Lack of Access to Startup Finance	210	120	33	16	9	388	3.88
b) Insufficient Working Capital	230	132	30	12	5	409	4.09
c) Lack of Awareness of Support Mechanisms	195	128	48	4	11	386	3.86
d) Difficult Regulatory Environment	100	76	66	38	20	300	3
e) Lack of Entrepreneurship Education	150	152	51	26	2	381	3.81
f) intense Competition	250	156	15	6	3	430	4.3
g) Lack of Updating Market Knowledge	230	132	30	12	5	409	4.09
h) Inability to Assess Market Conditions	205	120	45	16	6	392	3.92

Source: Primary data

Table 2 shows the problems faced by small scale entrepreneurs in their business activities. The highest mean scores 4.3, 4.09 and 3.92 represents that the most of the entrepreneurs have to deal intense competition from large scale enterprises and they are struggling with lack of financial support. Most of the entrepreneurs have difficulty with new and innovative market conditions.

4.2. OPPORTUNITIES OF SMALL-SCALE ENTREPRENEURS

Table 3 Calculation of Present Position Value

Rank	100 (Rij - 0.5) / Nj	Present position value	Garrette value
1	100 (1-0.5) / 7	7.14	78
2	100 (2-0.5) / 7	21.4	65
3	100 (3-0.5) / 7	35.7	57
4	100 (4-0.5) / 7	50	500
5	100 (5-0.5) / 7	64.28	42
6	100 (6-0.5) / 7	78.6	34
7	100 (7-0.5) / 7	93	21

Table 4 Opportunities of Small-Scale Entrepreneurs

Sl No:	Statements	Ranks given by respondents							Total Score	Mean Score	Rank
		1	2	3	4	5	6	7			
1	Strong Social Capital and Community Networks	1404	1105	912	750	672	374	147	5364	53.64	III
2	Consumer Market with Disposable Income	468	455	798	600	630	578	609	4138	41.38	VI
3	Tourism Potential	702	845	1002	600	504	816	252	4745	47.45	IV
4	Digital Connectivity	2262	1755	969	600	294	170	63	6113	61.13	II
5	Focus on Sustainability and Local Products	312	520	741	800	8400	748	357	4318	43.18	V
6	E-commerce and Online Retail	2340	1495	969	850	546	0	0	6200	62	I
7	Niche Markets and Specialized Services	312	325	285	800	714	714	672	3822	38.22	VII

Source: Primary data

Table 4 shows the opportunities of small scale entrepreneurs and it give the result of most of the respondents have high level anticipation about e-commerce and online retail since it have the first rank. Most of the respondents have a positive approach towards digital connectivity and strong social networks since its get second and third rank respectively.

5. FINDINGS

Most of the respondents have positive view about economic empowerment because they agreed that through economic empowerment they can earn more profit and contribute to family and community

Small scale entrepreneurs are agreed that through economic empowerment they can improve their social standing and get recognition from public. Respondents also agreed that they can develop their skills and improve their personality for doing their the business more effectively

The respondents are also concerned with the unfair competition and they have to deals with complex regulations

- Most of the entrepreneurs are struggled with intense competition from other large scale business and they are concerned about lack of financial resources
- Most of the respondents have inability to assess the new market conditions and they don't have the knowledge about new market trends.
- Most of the respondents didn't have the enough entrepreneurship education it will affect the progress of their enterprises.
- Most of the respondents are likely to do the e-commerce and online retailing since it more effective than the traditional marketing
- Most of the entrepreneurs are waiting for adopt the digital connectivity for their business because it's the digital era so they need to do digitalization in their business.
- Most of the respondents are wants to enlarge their social network and community involvement to promote their business.

6. SUGGESTIONS

- Implement and strictly enforce regulations against anti-competitive practices such as predatory pricing, dumping, and cartelization that may disadvantage small-scale businesses.
- Conduct regular seminars and workshops across different regions of Kerala, including Thiruvananthapuram, to educate small scale entrepreneurs about identifying and understanding market trends.
- Provide financial assistance or subsidies to small-scale entrepreneurs or their associations to conduct market research relevant to their specific sectors.
- Ensure that financial institutions meet their priority sector lending targets for micro and small enterprises and strengthen and expand credit guarantee schemes to reduce the risk for banks' lending to small businesses, especially new ventures without substantial collateral.
- Entrepreneurs can list their products on popular online marketplaces like Amazon India, Flipkart, Myntra (for fashion), and potentially Kerala-specific platforms (if any emerge). This provides immediate access to a large customer base.
- Partner with relevant local social media influencers or bloggers who have a strong following in Thiruvananthapuram and Kerala to promote their products.
- Join relevant local business associations and regularly attend meetings, workshops, seminars, and networking events organized by these associations to connect with other entrepreneurs, industry leaders, and potential collaborators.

7. CONCLUSION

This study, conducted in Thiruvananthapuram, Kerala, reveals that small-scale entrepreneurs hold multifaceted perceptions of economic empowerment, encompassing financial independence, autonomy, social recognition, and community contribution, yet they face significant challenges including intense competition from larger businesses, limited access to financial resources, the burden of complex regulations, and difficulties in assessing new market conditions. However, their expressed desire to embrace e-commerce and actively enlarge their social networks and community involvement presents promising avenues for growth and enhanced competitiveness. Addressing these challenges through targeted policy interventions, robust support systems, and proactive entrepreneurial strategies focused on differentiation, leveraging digital platforms, and building strong local connections is crucial for fostering a thriving small-scale enterprise sector and realizing their full potential for economic empowerment within the unique socio-economic context of Kerala.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

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