

WOMEN ENTREPRENEURSHIP AND SOCIO-ECONOMIC ENVIRONMENT IN VELLORE

M.Renuga, Ph.D Research Scholar, Department of Economics, Thiruvalluvar University,
Vellore - 632 115. TN.

Dr. C.Sivakkolundu, Associate Professor, Department of Economics, Thiruvalluvar University, Vellore
- 632 115. TN. Email: sivakozhundu.123@gmail.com

Abstract

Women entrepreneurs in Vellore face a mix of traditional challenges and emerging opportunities. While local women have successfully diversified into handicrafts, textiles, beauty, and food production, they commonly face socio-economic barriers like limited access to collateral-free credit, traditional family obligations, and marketing hurdles. The Women Entrepreneurs in Vellore sets the stage by highlighting their economic potential, geographic context, and the cultural landscape they navigate. Women entrepreneurship in Tamil Nadu is a subject of growing interest due to its potential to drive economic growth, promote gender equality, and foster social development. This study explores the challenges and opportunities faced by women entrepreneurs in the region, aiming to provide insights for policymakers, industry stakeholders, and civil society organizations. Through a comprehensive analysis of the entrepreneurial landscape, including factors such as access to finance, cultural norms, support infrastructure, work-life balance, and gender biases,

Keywords: Women Entrepreneurship, Sustainable Development, Challenges and Opportunities

Introduction

Women's entrepreneurship is increasingly recognized as a critical driver of economic growth, social development, and gender equality worldwide (Brush et al., 2009; OECD, 2019). In the context of Tamil Nadu, a state renowned for its vibrant entrepreneurial ecosystem and robust economic activities, women entrepreneurs play a pivotal role in contributing to innovation, job creation, and sustainable development (Shajahan & Mohamed, 2015; Government of Tamil Nadu, 2020). However, despite their significant contributions, women entrepreneurs in Tamil Nadu encounter numerous challenges that impede their progress and limit their potential for success (Devi & Subramaniam, 2017; Deepika & Sasikala, 2020). The study identifies significant barriers hindering the progress of women entrepreneurs. Despite these challenges, the study also highlights promising opportunities available to women's entrepreneurs across various sectors, including textiles, information technology, healthcare, agribusiness, tourism, handicrafts, education, renewable energy, and social entrepreneurship.

Women Entrepreneurship in Vellore

The International and National background

Women entrepreneurship is universally recognized as a powerful engine for economic growth, poverty reduction, and social transformation. In India, female-led enterprises not only generate substantial employment but also drive grassroots innovation. Over the last few decades, state and central governments have actively shifted their focus from mere "women welfare" to "women-led development," positioning female business owners as critical drivers of the country's trillion-dollar economic ambitions.

The Geographic and Economic outline

Vellore District, situated in the northeastern part of Tamil Nadu, presents a unique socioeconomic landscape for business development. Historically famous for its thriving leather tanning

industries, handloom weaving clusters, and world-class medical and educational hubs (like CMC and VIT), Vellore offers a diverse economic ecosystem. The district is characterized by a mix of rapidly growing urban centers, semi-urban blocks (like Katpadi and Gudiyatham), and vast rural agricultural Belts. This distinct blend creates highly varied market opportunities—and diverse challenges for local micro, small, and medium enterprises (MSMEs).

The Emergence of Women Entrepreneurs

In Vellore, the rise of women-owned enterprises is deeply intertwined with the Self-Help Group (SHG) movement and the Mahalir Thittam state initiative. Driven by the desire for financial independence, rising living costs, and improved education for their children, local women are steadily transitioning from unpaid domestic workers or low-wage laborers into self-employed business owners. Today, female entrepreneurs in Vellore are visibly active in:

- Traditional sectors like tailoring, boutique fashion designing, and beauty culture.
- Agri-allied industries such as food processing, dairy farming, and organic manufacturing.
- Evolving niche markets like eco-friendly paper products, catering, and digital service centers.

The Socio-Economic Paradox

Despite their growing numbers, women entrepreneurs in Vellore operate within a complex social paradox. On one hand, they benefit from high literacy rates, progressive state-level industrial policies (such as NEEDS and UYEGP), and robust microfinance networks. On the other hand, they remain tightly bound by traditional patriarchal frameworks, limited asset ownership (leading to a lack of bank collateral), restricted physical mobility, and the heavy burden of managing "dual roles" (balancing domestic obligations with corporate operations).

Scope and Purpose of the Study

Understanding the current socio-economic status, operational challenges, and growth opportunities of female founders in Vellore is essential. Identifying the specific bottlenecks they face such as exploitative middlemen, technical skill gaps, and formal financing hurdles makes it possible to design targeted policy interventions. Ultimately, empowering a woman entrepreneur in Vellore does not just elevate her individual household; it strengthens the entire district's economic fabric by creating local jobs and fostering a more equitable community.

Review of Literature

Raman & Pushpam (2019) in their comprehensive field study *A Study on Women Entrepreneurship in Rural Tamil Nadu with Special Reference to Vellore District* found a sharp demographic pattern. Their empirical data revealed that a substantial majority (73%) of women entrepreneurs reside in rural blocks. Within this demographic, 48% belong to the middle-aged bracket (41–50 years old) and 90% operate from a nuclear family structure.

IJCRT Journal Study (2026) confirmed that the demographic entry point remains mature, with 58% of female founders falling into the 30–45 age categories. This study interpreted that women primarily transition into entrepreneurship after achieving domestic stability, viewing their business as a critical supplementary income source to combat inflation and fund their children's higher education.

Dhanraj Baid (2024) evaluated the Job Satisfaction of Women Entrepreneurs within Self-Help Groups (SHGs) of Vellore District. The statistical analysis accepted that a significant direct relationship exists between monthly earnings and the entrepreneur's level of psychological satisfaction. Interestingly, the study noted that formal academic qualifications did not dictate job satisfaction or operational success, proving that practical skill sets and consistent micro-revenue streams matter more at the grassroots level than high-tier formal education.

Krishnamoorthy & Balasubramani (2021) explored motivation variables and ranked personal ambition, desire for independence, availability of government subsidies, and core family support as the foundational pillars dictating whether a woman-led enterprise survives past its initial 3-year setup window.

The Socio-Economic Factors of Entrepreneur

- **Demographics:** A majority of local entrepreneurs in semi-urban and rural Vellore blocks (such as Katpadi and Vaniyambadi) are married middle-aged women operating within nuclear families.
- **Business Sectors:** Most businesses are traditional, low-risk, and service-oriented. Common ventures include tailoring, beauty parlors, readymade garment sales, food processing, and textile handlooms.

Primary Challenges

- **Lack of Capital:** Women face severe shortages of startup funds, as they rarely possess property or assets in their own names to use as collateral for formal bank loans.
- **Work-Life Balance:** Balancing enterprise operations with demanding domestic and child-care responsibilities remains a significant bottleneck.
- **Marketing & Transport:** Many rural and semi-urban entrepreneurs report struggles with transporting their goods to broader markets and competing with larger, male-dominated supply chains.

Drivers of Empowerment

- **Government & Financial Schemes:** Organizations like the District Industries Centre (DIC) provide subsidies and training programs designed specifically for women.
- **Microfinance & SHGs: Self-Help Groups (SHGs)** continue to act as a vital catalyst for financial inclusion, offering revolving funds and peer-to-peer economic support that bypass traditional banking barriers.
- **Reinvestment in Family:** Earnings generated by Vellore's female entrepreneurs are predominantly reinvested directly into their children's education, family healthcare, and improved living standards.

Financial Hurdles

- **Collateral Deficit:** Women rarely own land or property in Vellore, preventing access to formal, asset-backed bank loans.
- **Credit Delays:** High institutional skepticism and long processing times for credit force women to rely on informal, high-interest moneylenders.
- **Working Capital:** Low cash flow frequently disrupts daily operations and stops businesses from bulk-buying raw materials.

Socio-Cultural Pressures

- **Dual Responsibility:** Societal expectations place the heavy burden of unpaid domestic work and child care entirely on the woman.
- **Mobility Restrictions:** Travel limitations outside local Vellore blocks like Katpadi or Gudiyatham restrict market expansion and raw material sourcing.
- **Lack of Family Support:** Many women operate without familial encouragement, resulting in low risk-taking capacity and fear of business failure.

Operational & Market Barriers

- **Marketing Weakness:** Limited knowledge of modern marketing, digital branding, and e-commerce platforms restricts sales to immediate neighborhoods.
- **Exploitative Middlemen:** A heavy reliance on intermediaries to sell finished goods especially in the leather, handloom, and garment sectors—slashes profit margins.

- **Stiff Competition:** Small-scale women entrepreneurs struggle to compete with mass-produced, cheaper goods flooding the local retail markets.
- **Technical Gaps:** Limited access to professional business networks and formal training in accounting, financial literacy, and technology usage.

High-Growth Sector Opportunities

- **Eco-Friendly Businesses:** The demand for biodegradable packaging, areca leaf plates, and paper-pen manufacturing offers high profit margins.
- **Textiles & Fashion Tech:** Transitioning from traditional tailoring to boutique fashion designing and garment exporting allows women to serve broader markets.
- **Agri-Business & Food Processing:** Producing milk products, organic snacks, and value-added food items leverages Vellore's semi-urban and rural landscape.

Institutional & Financial Enablers

- **Targeted Capital Subsidies:** The Tamil Nadu MSME Department grants a 5% additional capital subsidy specifically for women entrepreneurs setting up manufacturing plants.
- **State-Level Schemes:** Women can use the Unemployed Youth Employment Generation Programme (UYEGP) or the Women Entrepreneur Development Scheme through local co-operative banks to access loans up to ₹5 Lakhs with extended repayment timelines.
- **District Support:** The Vellore District Industries Centre (DIC) runs programs like the New Entrepreneur-cum-Enterprises Development Scheme (NEEDS), extending substantial loan packages for first-generation female founders.
- **Collateral-Free Central Credit:** Programs like Pradhan Mantri Mudra Yojana offer collateral-free loans up to ₹10 Lakhs, specifically intended to encourage self-employed women to upgrade their business tools.

Overcoming Financial & Collateral Challenges

- **Utilize Mudra Shishu Loans:** Apply for the Mudra Shishu scheme, which offers up to ₹50,000 collateral-free with minimal paperwork, bypassing traditional asset requirements.
- **Leverage the NEEDS Scheme:** First-generation entrepreneurs with a degree or diploma should apply through the Vellore District Industries Centre (DIC) for the New Entrepreneur-cum-Enterprises Development Scheme (NEEDS), which provides up to a 25% subsidy on project costs.
- **Build Credit via Microfinance:** Use localized Self-Help Groups (SHGs) to secure low-interest revolving funds, establishing a clean repayment history to transition later into formal commercial bank credit.

Resolving Marketing & Middlemen Bottlenecks

- **Adopt Direct-to-Consumer (D2C) Apps:** Use free digital storefronts like WhatsApp Business, Instagram Shopping, or Ondc (Open Network for Digital Commerce) to bypass exploitative local wholesalers and sell directly to consumers.
- **Join Government Exhibition Networks:** Register with the Tamil Nadu Corporation for Development of Women (TNCDW) to display products at state-sponsored Mathi Bazaar exhibitions and trade fairs, securing rent-free access to high-footfall urban markets.
- **Form Cooperative Unions:** Team up with other local Vellore entrepreneurs in similar sectors (e.g., tailoring or food processing) to pool raw material orders, drastically lowering per-unit transport and purchasing costs.

Managing Work-Life Balance & Social Pressures

- **Delegate Routine Operations:** Transition from a "solopreneur" mindset to a manager mindset by outsourcing low-skill tasks (like packaging or delivery) to local daily-wage helpers or family members.
- **Implement Fixed Business Hours:** Establish firm operational hours for the business, explicitly communicating boundaries to family members to minimize domestic interruptions during the workday.
- **Seek Local Mentorship:** Join local chapters of business groups such as BNI Vellore or community-led women's panels to learn time-management strategies from experienced business owners facing similar social dynamics.

Bridging Technical & Operational Gaps

- **Enroll in Free Skilling Programs:** Attend specialized entrepreneurship development programs (EDPs) hosted by the Entrepreneurship Development and Innovation Institute (EDII) Tamil Nadu to master cash-flow management, inventory tracking, and tax compliance.
- **Automate Basic Bookkeeping:** Move away from manual ledger books by adopting free, simple mobile billing applications (like Vyapar or Khatabook) to ensure transparent financial data for easier loan approvals.

Conclusion

The study on women entrepreneurs in the Vellore district demonstrates that female business ownership is a powerful catalyst for rural economic transformation. Driven by a combination of household financial necessity and a desire for social independence, women across Vellore are successfully transitioning from domestic roles into active market participants. This transition is highly evident in the districts robust Self-Help Group (SHG) networks and micro-enterprise sectors, such as textiles, dairy, and eco-friendly manufacturing. Women in Vellore continue to face rigid bank collateral requirements, a heavy "double burden" of balancing unpaid household labor with business hours, and exploitation by market middlemen. For entrepreneurship to shift from a tool of basic survival to an engine of high-growth wealth creation, the local ecosystem must move past simple credit provisioning and focus on targeted skill upgrades, digital integration, and direct market linkages.

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