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A Study on the Challenges of the Entrepreneurs in the Unorganised Sector with Special Reference to Marina Beach, Chennai, Tamil Nadu, India

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ABSTRACT

The unorganised sector plays a major role for the development of the Indian economy by generating employment and alleviating poverty. The National Sample Survey Organisation (NSSO) report for the year 2009-10 says that out of 46.5 crores employed persons in the country, about 43.7 crores are from unorganised sector. This study concentrates on one of the major attractions and unorganised business hub in the city Marina Beach, Chennai. This study examines the problems faced by unorganised entrepreneurs. About 100 respondents were interviewed personally through the help of a self-structured questionnaire by the researcher. The tools used for analysis of the study were weighted mean, t-Test, and ANOVA.

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1.0 INTRODUCTION

Due to poverty and a lack of proper employment in rural regions and small towns, many people travel to the city in quest of job and a life. These folks typically lack the education and skills required for secured jobs in the organised sector. Moreover, the number of permanent protected positions in the organised sector is decreasing with the rapid climb of population in the country, making it difficult for even individuals with necessary qualifications to obtain suitable work. The only way for these people to survive is through unemployment is in the unorganised sector. In this era of

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globalisation and technology, the inability of the employer to expand employment in the formal sectors has increased reliance over unorganised sectors ([Mariappan, 2011](#)).

It is crucial to learn about these unorganised businesses as their significance in nation's development cannot be undermined. This study will help with the better understanding of the unorganised businesses and be helpful for the policy makers to frame the right kinds of policies to protect the interests of unorganised businesses in the future.

1.1 Objective of the Study

- To analyse the impact of the problems faced by the entrepreneurs in the unorganised sector using weighted mean.
- To determine the difference of perception of entrepreneurs in the unorganized sector on their challenges based on gender using t-Test.
- To determine the difference of perception of entrepreneurs in the unorganized sector on the challenges based on their age, educational qualification, type of business and period of business using ANOVA.

2.0 METHODOLOGY

A self-prepared questionnaire comprising of three sections was designed by the researcher for the collection of data from street vendors at Marina Beach in Chennai city.

The primary data collection was done by the researcher through face-to-face interactions with the entrepreneurs with the help of the questionnaire. Aside from the above, secondary data was also gathered from different articles and journals throughout the internet. The sampling method used for this study is purposive sampling method.

A total of 100 responses were collected directly from the entrepreneurs of unorganised sector from the Marina beach. About 76 respondents were male and 24 were female.

2.1 Statistical Tools Used

- Weighted mean
- t-Test
- ANOVA

2.2 Study Period

The period of study is during June-September 2022.

3.0 REVIEW OF LITERATURE

[Bhowmik \(1998\)](#) focuses on the challenges faced by street vendors in urban areas. The study examines the legal status of the hawkers, their position in the society, challenges they go through and misconceptions revolving about them in seven selected prominent cities.

[Karthikeyan and Mangaleswaran \(2013\)](#) studied the working patterns and socio-economic conditions of the street vendors, along with the problems faced by them.

[Karthikeyan and Mangaleswaran \(2017\)](#) have discussed the challenges faced by street vendors and their rights. The study also focuses on effects of climate change and other factors over

the street vending business and awareness about street vending policies. Hence the gap is been identified and the study is initiated to analyse the challenges of entrepreneurs in the unorganised sector at Marina Beach, Chennai, Tamil Nadu, India.

4.0 ANALYSIS

The problems of the unorganised sector are multifarious in nature, therefore confining this sector within a framework is difficult (Gupta, 2009). This study focuses on the extent of impact of the problems on the entrepreneurs in the unorganised sector.

4.1 Overall Weighted Mean of the Problems Faced by the Entrepreneurs in the Unorganised Sector

Table 1 – Overall Weighted Mean of the Problems Faced by the Entrepreneurs

Sl. No.	Problem Faced	Weighted Mean
1	Increased Traffic	1.00
2	Pollution	1.45
3	Long and Unusual Working Hours	1.10
4	Job Insecurity	1.81
5	Impact of Natural Disasters	3.69
6	No Minimum Wage Guarantee	1.69
7	No Fixed Income	2.84
8	Sales and Productivity Fluctuations	2.44
9	No Basic Market Amenities	1.88
10	Harassment from Local Authorities	1.98
11	Extreme Weather Conditions	2.38
12	Improper Storage Facilities	1.48
13	No Aid from Banks or Government or NGOs	2.67
14	Emerging Start-Ups	1.06
15	Lack of Workforce	1.17
16	High Wage Expectations	1.00
17	Strikes & Protests	2.22
	Overall Weighted Mean	1.87

Source: Primary Data

It is inferred from Table 1, the overall weighted mean score of all the problems is 1.87, which concludes that the respondents do not even consider all these factors as an actual challenge. This could be due to their ignorant mind set, lack of awareness and lack of education. Amongst all the other problems, the respondents highly agree that there is some impact of natural disasters in their business, which is derived from the mean value of 3.69.

4.2 Gender & Problems Faced by the Entrepreneurs in the Unorganised Sector: t-Test

With the help of t-test, an attempt has been made to determine the group differences amongst the respondents with respect to the problems faced in the unorganised sector based on gender which has been illustrated in Table 2.

Table 2 – Gender & Problems Faced by the Entrepreneurs

Problems Faced	t-Value	Sig.
Pollution	.532	.596 ^{NS}
Long and Unusual working hours	.202	.840 ^{NS}
Job insecurity	.628	.531 ^{NS}
Impact of natural disasters	-1.148	.254 ^{NS}
No minimum wage guarantee	.595	.553 ^{NS}
No fixed income	1.011	.314 ^{NS}
Sales and productivity fluctuations	.421	.675 ^{NS}
No basic market amenities	-1.011	.315 ^{NS}
Harassment from local authorities	.180	.857 ^{NS}
Extreme weather conditions	-.218	.828 ^{NS}
Improper storage facilities	.105	.917 ^{NS}
No aid from banks or government or NGOs	-.051	.960 ^{NS}
Emerging start-ups	-1.767	.080 ^{NS}
Lack of workforce	-1.167	.246 ^{NS}
Strikes & Protests	-.046	.946 ^{NS}

Source: Primary Data

Note: 'NS' denotes Not Significant

From Table 2 it can be inferred that $p > 0.05$ for all aspects of problems faced by the entrepreneurs in the unorganised sector at 5% level of significance. Thus, it can be inferred that there exists no significant difference amongst the respondents with respect to aspects of problems faced by the entrepreneurs in the unorganised sector based on gender. This could be due to lack of awareness, lack of education, ignorance and negligence of the outside world.

4.3 Age & Problems Faced by the Entrepreneurs in the Unorganised Sector: ANOVA

Table 3 – Representation of Age & Problems Faced by the Entrepreneurs

Problems	Age of the Respondents (<i>in years</i>)					F-Value	Sig.
	20-30	30-40	40-50	50-60	60 & above		
Pollution	1.00	1.39	1.39	1.89	1.23	1.493	.211 ^{NS}
Long and Unusual Working Hours	1.17	1.00	1.17	1.11	1.15	.583	.676 ^{NS}
Job Insecurity	2.83	1.74	1.87	1.67	1.62	1.353	.256 ^{NS}
Impact of Natural Disasters	3.50	3.55	3.30	4.04	4.08	1.387	.244 ^{NS}
No Minimum Wage Guarantee	2.17	1.71	1.65	1.70	1.38	.376	.825 ^{NS}
No Fixed Income	2.83	3.00	3.39	2.37	2.54	1.284	.282 ^{NS}
Sales and Productivity Fluctuations	2.67	2.58	2.39	2.37	2.15	.154	.961 ^{NS}

No Basic Market Amenities	1.67	1.90	1.48	2.19	1.92	.590	.671 ^{NS}
Harassment from Local Authorities	3.00	1.77	1.65	2.07	2.31	1.067	.377 ^{NS}
Extreme Weather Conditions	2.17	2.77	2.39	2.22	2.00	.842	.502 ^{NS}
Improper Storage Facilities	1.00	1.87	1.17	1.37	1.54	1.652	.168 ^{NS}
No Aid from Banks or Government or NGOs	2.67	2.55	2.87	2.33	3.15	.536	.709 ^{NS}
Emerging Startups	1.00	1.13	1.09	1.00	1.00	.693	.599 ^{NS}
Lack of Workforce	1.00	1.32	1.00	1.07	1.38	1.803	.135 ^{NS}
Strikes & Protests	2.50	2.26	1.87	2.37	2.46	.772	.546 ^{NS}

Source: Primary data

Note: 'NS' denotes Not Significant

From Table 3 it can be inferred that, $p > 0.05$ for all aspects of problems faced by the entrepreneurs in unorganised sector at 5% level of significance. This indicates that there exists no significant difference amongst the respondents with respect to aspects of problems faced based on their age. This could be due to them being habituated to their problems and pure ignorance.

4.4 Educational Qualification & Problems Faced by the Entrepreneurs in the Unorganised Sector: ANOVA

Table 4 – Representation of Educational Qualification & Problems Faced by the Entrepreneurs

Problems	Educational Qualification					F-Value	Sig.
	Illiterate	Primary	SSLC	HSC	Graduate		
Pollution	1.65	1.35	1.66	1.38	1.00	1.001	.411 ^{NS}
Long and Unusual Working Hours	1.00	1.06	1.16	1.25	1.00	.990	.417 ^{NS}
Job Insecurity	2.39	2.41	1.59	2.13	1.83	2.487	.049*
Impact of Natural Disasters	3.87	4.06	3.47	3.56	3.58	.716	.583 ^{NS}
No Minimum Wage Guarantee	1.35	2.29	1.63	1.5	1.83	1.481	.214 ^{NS}
No Fixed Income	2.61	2.65	2.59	3.56	3.33	1.298	.276 ^{NS}
Sales and Productivity Fluctuations	1.91	3.18	2.28	2.38	2.83	1.377	.248 ^{NS}
No Basic Market Amenities	1.52	2.88	1.75	1.44	2.00	2.310	.063 ^{NS}
Harassment from Local Authorities	1.91	2.82	1.78	1.81	1.58	1.470	.217 ^{NS}
Extreme Weather Conditions	2.61	2.18	2.47	2.19	2.42	.296	.880 ^{NS}
Improper Storage Facilities	1.57	1.24	1.44	1.19	2.17	1.575	.187 ^{NS}
No Aid from Banks or Government or NGOs	2.57	2.35	2.53	3.13	2.92	.473	.755 ^{NS}
Emerging Startups	1.00	1.12	1.06	1.00	1.17	.701	.593 ^{NS}
Lack of Workforce	1.09	1.12	1.13	1.00	1.75	3.860	.006 ^{NS}
Strikes & Protests	2.43	2.29	2.19	1.88	2.42	.577	.680 ^{NS}

Source: Primary data

Note: 'NS' denotes Not Significant / '*' denotes significance at 5% level

From Table 4 it can be inferred that, $p > 0.05$ for all aspects of problems faced by the entrepreneurs in the unorganised sector at 5% level of significance other than the problem of job insecurity. It can be inferred that $p < 0.05$ for job insecurity at 5% level of significance in the unorganised sector indicates that there is significant difference amongst the respondents with respect to job insecurity based on their educational qualification. The respondents who have completed their primary education represent the highest mean value of 2.41. This could be due to the

realization that neither they do not possess the required skills nor a proper qualification to hold a secured job and have no other means of survival other than the unorganised sector.

4.5 Business Type & Problems faced by the Entrepreneurs in the unorganised sector: ANOVA

Table 5 – Representation of Business Type & Problems Faced by the Entrepreneurs

Problems	Business Type		F-Value	Sig.
	Product Based	Service Based		
Pollution	1.49	1.44	0.038	0.846 ^{NS}
Long and Unusual Working Hours	1.11	1.07	0.116	0.734 ^{NS}
Job Insecurity	1.73	2.00	1.047	0.309 ^{NS}
Impact of Natural Disasters	3.73	3.59	0.201	0.655 ^{NS}
No Minimum Wage Guarantee	1.71	1.59	0.165	0.685 ^{NS}
No Fixed Income	2.74	3.15	1.121	0.292 ^{NS}
Sales and Productivity Fluctuations	2.47	2.33	0.101	0.751 ^{NS}
No Basic Market Amenities	1.97	1.59	1.047	0.309 ^{NS}
Harassment from Local Authorities	1.92	2.11	0.267	0.606 ^{NS}
Extreme Weather Conditions	2.36	2.52	0.230	0.633 ^{NS}
Improper Storage Facilities	1.44	1.59	0.347	0.557 ^{NS}
No Aid from Banks or Government or NGOs	2.67	2.59	0.035	0.851 ^{NS}
Emerging Startups	1.08	1.00	1.134	0.290 ^{NS}
Lack of Workforce	1.16	1.19	0.025	0.876 ^{NS}
Strikes & Protests	2.23	2.26	0.009	0.924 ^{NS}

Source: Primary data

Note: 'NS' denotes Not Significant

From the Table 5 it can be inferred that, $p > 0.05$ for all aspects of problems faced by the entrepreneurs in unorganised sector at 5% level of significance. This indicates that there exists no significant variance amongst the respondents with respect to aspects of problems faced based on type of business they are engaged with. The reason for which could be due to the lack of awareness and tolerance in the respondents with respect to addressing their issues.

4.6 Period of Business from its Existence & Problems Faced by the Entrepreneurs in the Unorganised Sector: ANOVA

Table 6 – Representation of Period of Existence of the Business & Problems Faced by the Entrepreneurs

Problems	No. of years the business has been existing					F-Value	Sig.
	1-3	3-5	5-10	10-20	More than 20		
Pollution	1.00	1.00	1.00	1.00	1.00	0.925	0.453 ^{NS}
Long and Unusual Working Hours	1.00	1.00	1.11	1.23	1.06	0.432	0.786 ^{NS}
Job Insecurity	1.00	1.4	1.77	2.23	1.8	0.91	0.462 ^{NS}
Impact of Natural Disasters	4.00	3.00	3.64	3.69	3.83	0.49	0.743 ^{NS}
No Minimum Wage Guarantee	1.00	1.2	1.75	1.69	1.71	0.403	0.806 ^{NS}
No Fixed Income	2.00	2.2	2.95	2.69	2.94	0.448	0.773 ^{NS}

Sales and Productivity Fluctuations	1.00	2.00	2.5	2.46	2.51	0.547	0.701 ^{NS}
No Basic Market Amenities	2.33	1.00	1.82	1.92	2.00	0.465	0.761 ^{NS}
Harassment from Local Authorities	1.00	1.6	1.93	2.77	1.86	1.132	0.346 ^{NS}
Extreme Weather Conditions	3.00	3.00	2.7	1.77	2.11	1.72	0.152 ^{NS}
Improper Storage Facilities	3.33	1.8	1.45	1.23	1.4	2.33	0.062 ^{NS}
No Aid from Banks or Government or NGOs	2.33	2.00	2.45	2.92	2.91	0.542	0.706 ^{NS}
Emerging Startups	1.00	1.00	1.05	1.00	1.11	0.39	0.815 ^{NS}
Lack of Workforce	2.67	1.4	1.05	1.00	1.23	7.472	0.002**
Strikes & Protests	2.67	2.6	2.25	2.00	2.23	0.317	0.866 ^{NS}

Source: Primary data

Note: 'NS' denotes Not Significant / '**' denotes Significance at 1% level

From Table 6 it can be inferred that, $p > 0.01$ for all aspects of problems faced by the entrepreneurs in unorganised sector at 1% level of significance except for the problem of lack of workforce. It can also be inferred that $p < 0.01$ for lack of workforce in the unorganised sector at 1% level of significance, which indicates that there is significant difference amongst the respondents with respect to lack of workforce based on the period of business from its existence.

The respondents whose businesses has been existing for a period 1-3 years represent there is significant amount of lack of workforce with the maximum mean value being 2.67. They are in need of workforce to manage the business and may not have found the suitable personnel for the job. The respondents whose businesses has been existing for a period 10-20 years represent there is no significant impact of lack of workforce with the mean value being 1.00. This could be because of actually no or less requirement of workforce for the business to run or the business is not in a well-financed position to meet the wage requirements of a worker.

5.0 CONCLUSION

The study concluded with the help of weighted mean, that the problems like pollution, long and unusual working hours, improper storage facilities, emerging start-ups, lack of workforce have no impact on their business and also that problems like job insecurity, no minimum wage guarantee, no basic market amenities, harassment from local authorities, strikes and protests and extreme weather conditions affects the businesses in unorganised sector to less extent. No fixed income and no aid from government or banks or NGOs affects the business to a moderate extent. Thus, they do not even consider these major issues as challenges, which can be due to their lack of education, ignorance and negligent approach towards their problems. According to the entrepreneurs, there is some impact of natural disasters in their business, as it hinders the performance of their business quite regularly every year.

There is no significant difference among the opinions and approach of the respondents with regarding to many aspects of problems. However, with the help of ANOVA, it is found that there is significant difference amongst the respondents with respect to job insecurity based on their educational qualification and with respect to lack of workforce based on the period of business from its existence. With applying t-test, it is found that there exists no significant difference amongst the respondents with respect to aspects of problems faced by the entrepreneurs in the unorganised sector based on their gender.

The entrepreneurs have truly accepted their circumstances and habituated themselves to their work atmosphere. They have lost their faith in hoping for betterment, instead they have

understood their helplessness and accustomed to their unhealthy working environment, which is truly very unfortunate. The government hence should become more attentive and start working in formulating resolutions that can be actually implemented and utilised to the optimum for the welfare of the unorganised sector.

6.0 SUGGESTIONS FROM THE STUDY TO THE GOVERNMENT

- To construct more solid infrastructural built-up to with stand extreme climatic conditions.
- To provide better sanitation and drinking water facilities.
- To form a specialised regulatory body to legally regulate the unorganised business activities.
- To introduce and implement special small savings schemes to encourage the habit of savings among the unorganised entrepreneurs that can be used to satisfy both their personal and business needs.
- To identify proper and reliable credit sources with no to lesser interest rates.
- To conduct skill development and training sessions to encourage artisans and craftsman.
- To advise the police department to stay supportive of the street vendors.

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