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RESEARCH ARTICLE

AN ANALYSIS OF ROLE OF WOMEN ENTREPRENEURS IN MSME SECTOR IN INDIA

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Abstract

Micro, small and medium enterprises or MSMEs are called the "Growth Engines" of Indian economy as they contribute immensely in its growth and development through industrialization and employment generation. With the growth in MSME sector it has also provided entrepreneurial opportunities to women which has resulted in positive socio-economic impact in India. This study is an endeavour to assess the current scenario of women entrepreneurs in the MSME sector. The findings of the study shows that the share of women owned MSMEs is 20.37% in India whereas share of male owned MSMEs is 79.63%, which reflects the male dominance in MSME sector. In comparison in female owned MSMEs West Bengal has the largest share of 23.42% of women owned MSMEs. The MSMEs has grown over time but there is still need to work to increase the contribution of female entrepreneurs in the sector.

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Introduction:-

India's Micro, Small, and Medium-Sized Enterprises are a key engine for the expansion of the Indian Economy. Through the provision of employment opportunities & the industrialization of rural and urban areas, these MSMEs aid in lowering the uneven income distribution among the population. MSMEs have a huge impact on the growth of the Indian economy through local and export production, less need for capital investment, operational flexibility, technology-oriented businesses, etc. The MSMEs complement the major industries that are active in the economy and provide significant contributions to the socioeconomic advancement of the nation. After the agriculture sector, it ranks second for creating the most employment possibilities in the nation and has a relatively higher labour-capital ratio. The government has recently realized the importance of the MSME sector in order to increase the manufacturing sector's GDP contribution. Having a well-diversified industrial base has long been a goal of our policymakers, but the Indian economy has shifted from being agrarian to being service-based, skipping over the importance of the manufacturing sector in the interim. From the very beginning, MSME sector has established itself as a vivid sector of the Indian economy. MSMEs create and produce a wide range of good products for both home and foreign markets. They have supported the expansion and development of the coir, khadi, and village industries. In order to improve and develop the rural areas, they have cooperated and worked with the relevant ministries, state governments, and stakeholders.

From the last few decades women entrepreneurship is growing with a good pace in India. In India, female entrepreneurs are essential to the growth of the national economy. Their contributions go beyond only having an economic influence; they also shape social norms, promote inclusivity, and stimulate innovation. A woman or group

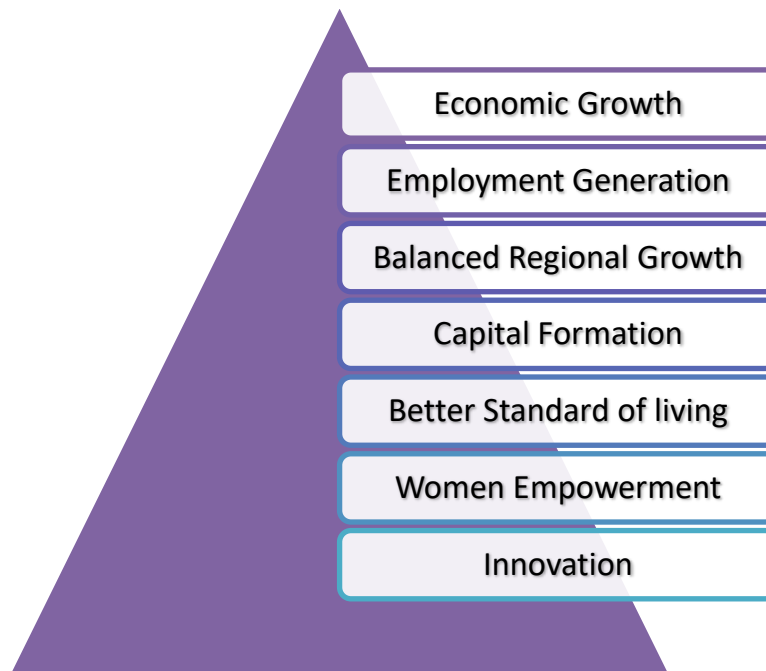
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of women who launch, plan, and run a business enterprise are referred to as women entrepreneurs. According to the Indian government, “a women-owned and controlled business is one in which at least 51% of the capital is owned and controlled by women, and at least 51% of the jobs created by the business are held by women”. Micro, small and medium enterprises are playing a good part in empowering women by providing them entrepreneurial opportunities and employment. Ministry of Micro, Small and Medium Enterprises providetraining and skill-development initiatives, providing women with the essential skills and knowledge. Through these activities, they strengthen their entrepreneurial skills and become more equipped to deal with the difficulties of being a business owner. By breaking down prejudices and giving women the opportunity to take on leadership roles, develop their talents, and become financially independent, these enterprises help women have a positive influence on their communities and families. Women involved in MSMEs have access to chances for creating income that enhance their sense of accomplishment, self-worth, and financial security. Additionally, MSMEs usually offer flexible work schedules, which support women in effectively balancing their domestic and professional responsibilities.

Role of Women Entrepreneurs in Indian Economy

As it is said that “women are home- makers”. In the same way women can also help in the development of Indian Economy. As women make a significant part of Indian population, it is their duty and right to contribute significantly in the economy. As women take part in entrepreneurship, they help in job creation, poverty alleviation and in many other sectors.



Economic Growth:

Through entrepreneurial activities women help in economic growth by establishing business units for manufacturing and rendering services which ultimately contributes in the GDP of country. With this an economy fosters along with growth in the GDP.

Employment Generation:

Unemployment is a major challenge in Indian economy. Entrepreneurial activities help in tackling this. When women participate in entrepreneurial practices and establish business units, they become job providers in the society.

Balanced Regional Growth:

Government provides various incentives and subsidies to establish industrial units in the rural and underdeveloped regions to curb regional imbalance. Women entrepreneurs avail these opportunities and establish their units in rural underdeveloped regions which helps to foster development in these areas along with reducing regional imbalances.

Capital Formation:

As women establish their business units, some idle funds get mobilised and invested in these units. With these investments resources are utilised in a better way and results in capital formation.

Better Standard of living:

As women take part in entrepreneurial activities, they start new business units and provide employment majorly to women's. And offer products and services at reasonable prices which helps in improving standard of living of people.

Women Empowerment:

Women entrepreneurs play a key role in empowering other women in society. When a women entrepreneur becomes successful, she becomes a role model for many other women and inspires them to pursue entrepreneurial activities and promote gender equality.

Innovation:

When women become contributors in entrepreneurship, they innovate something which contributes in society for something good. Women entrepreneurs bring unique and innovative solutions for societal and business problems which results in Innovation.

Women entrepreneurs are playing a major role in transforming society along with contributing in the growth of Indian economy. They contribute in social development, bring financial independence in other women's lives by breaking prejudices and social norms which hindered the growth of women. As women take part in entrepreneurial activities, they promote inclusive and equitable growth of the society.

Government Initiatives for Women Entrepreneurs in MSME Sector in India

Micro, Small and Medium Enterprises are a gateway to foster women entrepreneurs in India. Government provides special support to women entrepreneurs for establishing MSMEs. Ministry of MSMEs and various other ministries provide technical and financial assistance along with training programs to increase women participation in MSME sector in India.

Skill Upgradation and Mahila Coir Yojana:

It is a sub scheme under the main scheme 'Coir Vikas Yojana'. This scheme is implemented by coir board to empower women and provide self-employment opportunities to the women artisans of rural areas in coir sector. Under this scheme training is provided to rural women artisans with monthly stipend of Rs. 1000/. After completing training programs, a subsidy of 75% is provided for machinery and equipment to establish the enterprises producing coir products.

Trade Related Entrepreneurship Assistance and Development (TREAD):

TREAD is a scheme launched by Government of India with an objective to empower women economically by providing them training, counselling and financial assistance to women for pursuing any kind of activity in non-farm sector. Under this scheme training and counselling will be provided by the different organizations like Micro, Small and Medium Enterprises Development Institutes, EDIs known as Entrepreneurship Development Institutes, National Institute for Micro, Small and Medium Enterprises (NIMSME) and other. While the credit assistance of 30% (Max 30 lakhs) will be provided by GoI through eligible NGOs.

Prime Minister's Employment Generation Program:

PMEGP is a scheme implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency. This scheme aims at generating employment by setting up self-employed micro enterprises, ventures and projects. The max admissible limit for manufacturing sector is 50lakhs whereas for the service sector the limit is 20 lakhs. Under this program higher subsidy is granted to women entrepreneurs in comparison of others. The subsidy rate for women in rural areas is 35% and in urban areas it is 25%. As per the annual report of MSME 2022-23 total 259339 women beneficiaries has been benefitted under this program.

Start-Up Village Entrepreneurship Programme:

This scheme is a sub component of Deendayal Antyodaya Yojana – National Rural Livelihoods Mission which is implemented by Ministry of Rural Development. Start-Up Village Entrepreneurship Programme aims to empower women by helping them to set up micro units who are members of Self-Help Groups.

Entrepreneurial Skill Development Program:

ESDPs are conducted to foster the youth to train and develop technical and vocational skill required to set up micro and small enterprises. Out of the total EDPs, 20% are exclusively conducted for women and other weaker sections of the society.

Other than these government of India provides various incentives and subsidies via various ministries and their programs to women entrepreneurs for setting up business units and empower women.

Review of Literature:-

(Danabakym & Kurian, 2012) conducted study on 100 MSMEs from Chennai city by using convenience sampling method to identify industrial profile, the motivating and contributing factors in the success of women entrepreneurs along with analysing the relation between industries related factors and the success of women entrepreneurs. The results showed that education level, previous work experience and government policies, incentives, subsidies are the most significant motivating factors while their achievements and human relations are the highly contributing factors in the success of female entrepreneurs. Their success is highly affected by the industrial related factors.

(Singh & Raina, 2013) in their study titled as Women Entrepreneurs in Micro, Small and Medium Enterprises discussed about the current status of women entrepreneurs in India along with the challenges faced by them. The authors examined that for economic development, participation of women entrepreneurs is needed as much as of male entrepreneurs and from the last few decades it has been recognized. But now also women entrepreneurs face a lot of problems related to finance, education, technological knowledge, risk management skills etc. which are responsible for low participation of women in comparison of male entrepreneurs. However, Government is laying emphasis on promoting women entrepreneurship through various policies, granting subsidies, Entrepreneurship Development Programmes, Incubation centres and many more.

(Chavan & Murkute, 2016) discussed about the role of women entrepreneurship in the Indian economy. They stated that female entrepreneurs face a lot of challenges into any entrepreneurial activity. But the government of India is providing support through various incentives and policies for the development of women entrepreneurship. The study reveals that women entrepreneurs can significantly contribute in the development of economy through capital formation, increasing per capita income, generating employment and innovations.

(Ilahi, 2018) analysed the status of women entrepreneurs in the micro, small and medium enterprises (MSMEs) in India based on the NSS 73rd round of NSSO. In addition, the author also discussed about the hindrances faced by the women entrepreneurs and various government initiatives to accelerate women entrepreneurship in MSME sector. The study revealed that in Indian MSME sector female entrepreneurs have only 20.37% share. In categorical basis micro enterprises has the highest share of female entrepreneurs i.e., 20.44% whereas this share is 5.26% and 2.67% in small and medium sized enterprises respectively.

(Veju, 2018) has analysed the role of Self-Help Group (SHG) in promoting women entrepreneurship in Andhra Pradesh during the period 1981 to October 2016. The results of the study showed Nellore district has received the maximum benefit from SHG in promoting micro enterprises. The share of female entrepreneurs in SHG promoted micro enterprises was around 60% whereas the share of male entrepreneurs was approximately 40% which showed a positive growth in women entrepreneurs.

(Sanu, Ahmad, & Anjum, 2021) examined the effect of MSMEs on women entrepreneurship with special reference to Cachar district of Assam by surveying 200 MSMEs in the district. In addition, the comparative study of performance of male and female owned enterprises was also conducted. The results showed that most of the female owned enterprises are concentrated in service sector. Their main motives to join MSME sector are to earn profit and independence. Whereas other factors like marital status, age, education level, business experience and place of residence have significant impact in motivating females to join MSMEs. Further the comparative study of

performance of male and female owned enterprises reveals that female- owned MSMEs generate more employment as compared to male owned MSMEs but the difference is insignificant. While the net return per owner is higher in male -owned MSMEs.

(Kamal & Chandrakala, 2023) examined the significant characteristics which influence the success of entrepreneurs by surveying 150 Bangalore based MSMEs. The results revealed that the previous occupation has significant impact on the success level of entrepreneurs whereas other factors like age, education level, parental occupation and initial fixed capital investment do not have impact on the success level of the business.

(Tiwari, 2023) studied the current scenario of women empowerment in India along with the role of micro, small and medium enterprises (MSMEs) in empowering women. MSMEs provide opportunities to women for self-employment and job creation because these enterprises perform in local areas which makes it easier for women to balance their personal and professional life. Further the author talked about the various obstacles like gender prejudices, lack of infrastructure, financial constraints and social norms which hinder the growth of women empowerment in India. Although the MSME sector is playing a major role in empowering women by providing entrepreneurial opportunities and employment to women. However, there is still need for some policies and framework to support women.

Objectives:-

1. To analyse the performance of MSME sector in India
2. To assess the participation of women entrepreneurs in MSME sector

Research Methodology:-

The nature of the study is descriptive and analytical which is totally based on secondary data which is collected from various annual reports of the MSME sector and government websites.

Performance of MSME sector in India

The GDP, exports, and employment that micro, small, and medium-sized businesses have produced for the nation have all expanded dramatically over time. The MSME sector has experienced significant growth, which has reduced regional imbalances and the unequal distribution of wealth and income. The information gathered from the 73rd National Sample Survey, which was carried out in 2015–16, is shown in Table No. 1.

Table No. 1:- Estimated number of MSMEs and Employment Generation in MSME Sector.

SECTOR	No. of Enterprises	Share (%)	Employment (in lakh)	Share (%)
MICRO	630.52	99	1076.19	97
SMALL	3.31	0.52	31.95	2.88
MEDIUM	0.05	0.01	1.75	0.16
TOTAL	633.88	100	1109.89	100%

Source: MSME Annual Report 2022-23

According to the NSS 73rd round, there were 633.88 MSMEs in total, of which 630.52 lakh were micro, 3.31 lakh were small, and 0.05 lakh were medium-sized businesses. It is predicted that 11.10 crore jobs have been created by MSMEs. There have been 1076.19 lakh people employed by 630.52 lakh micro enterprises overall. In contrast, 31.95 lakh and 1.75 lakh employment have been created by small and medium-sized businesses, respectively. The micro sector, which accounts for the biggest proportion of 99% of all MSMEs, is the largest employer in the MSME sector, providing over 97% of all jobs in the sector. The largest portion of MSMEs is covered by “manufacturing” and “trade” sector enterprises which consist of 196.65 lakh and 230.35 lakh enterprises employing 360.41 lakh and 387.18 lakh people respectively. Further the “other services” consist of 206.85 lakh enterprises, employing approximately 362.22 lakh people. Whereas there are only 0.03 electricity enterprises which employ 0.07 lakh people.

Women Entrepreneurs in MSMEs in India

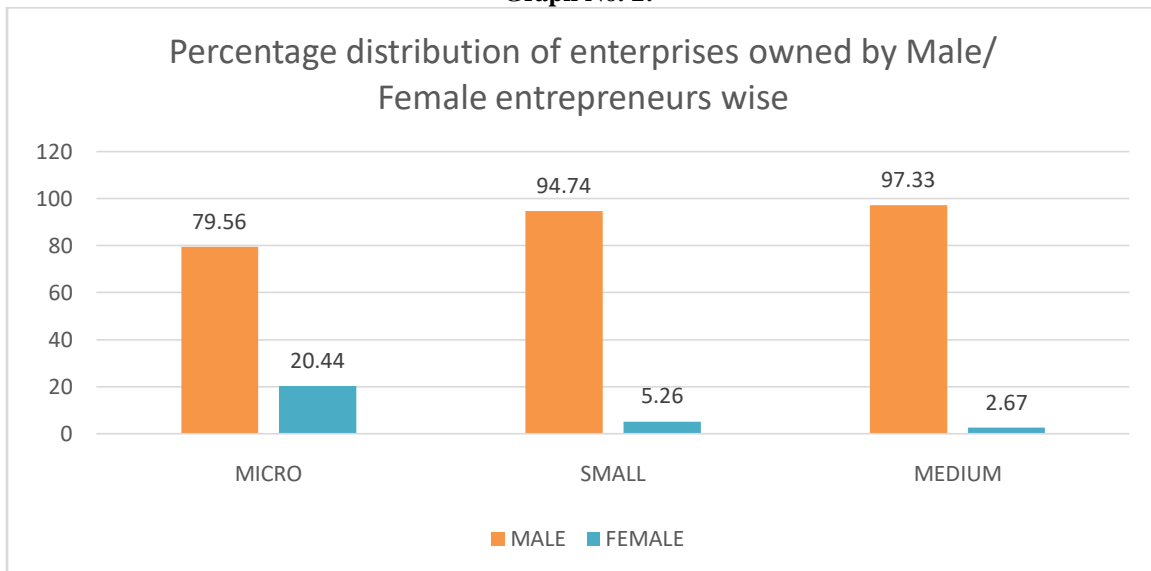
From the last few decades women entrepreneurs has achieved a good recognition in India. Their contribution is increasing in Indian economy's growth and development. In the MSME sector also female entrepreneurs' contribution has increased in the last few years.

Table No. 2:- Percentage distribution of MSMEs owned by Male and Female entrepreneurs.

CATEGORY	MALE	FEMALE	ALL
MICRO	79.56	20.44	100
SMALL	94.74	5.26	100
MEDIUM	97.33	2.67	100
ALL	79.63	20.37	100

Source: MSME Annual Report 2022-23

Graph No. 2:-



Source: MSME Annual Report 2022-23

Table No. 2 and Graph No 1 depicts the percentage share of male and female entrepreneurs in the MSME sector according to NSS 73rd round. The data shows that male entrepreneurs have the dominance in the sector. As a whole males own 79.63% of the MSMEs whereas the female owned MSMEs are 20.37% only. On the basis of categorical distribution 79.56% Micro enterprises are male owned and 20.44% are owned by females. Further the small enterprises have the share of 94.74% and 5.26% of male and female entrepreneurs. At last medium enterprises are shared by male and female owners in the percentage of 97.33% and 2.67% respectively. Under female category only, women have largest share in micro enterprises and lowest share in medium enterprises. From this observation it can be concluded that as the size of the enterprises is increasing the share of women entrepreneurs is decreasing.

Top 10 States with Highest Women MSME Entrepreneurs

The results of the 73rd National Sample Survey conducted in 2015-16 shows that in the MSME sector 79.63% are the male owned enterprises whereas there are only 20.37% female owned MSMEs as a whole. **Table No 3 and graph no 2** shows the share of female entrepreneurs in MSME in the top 10 states.

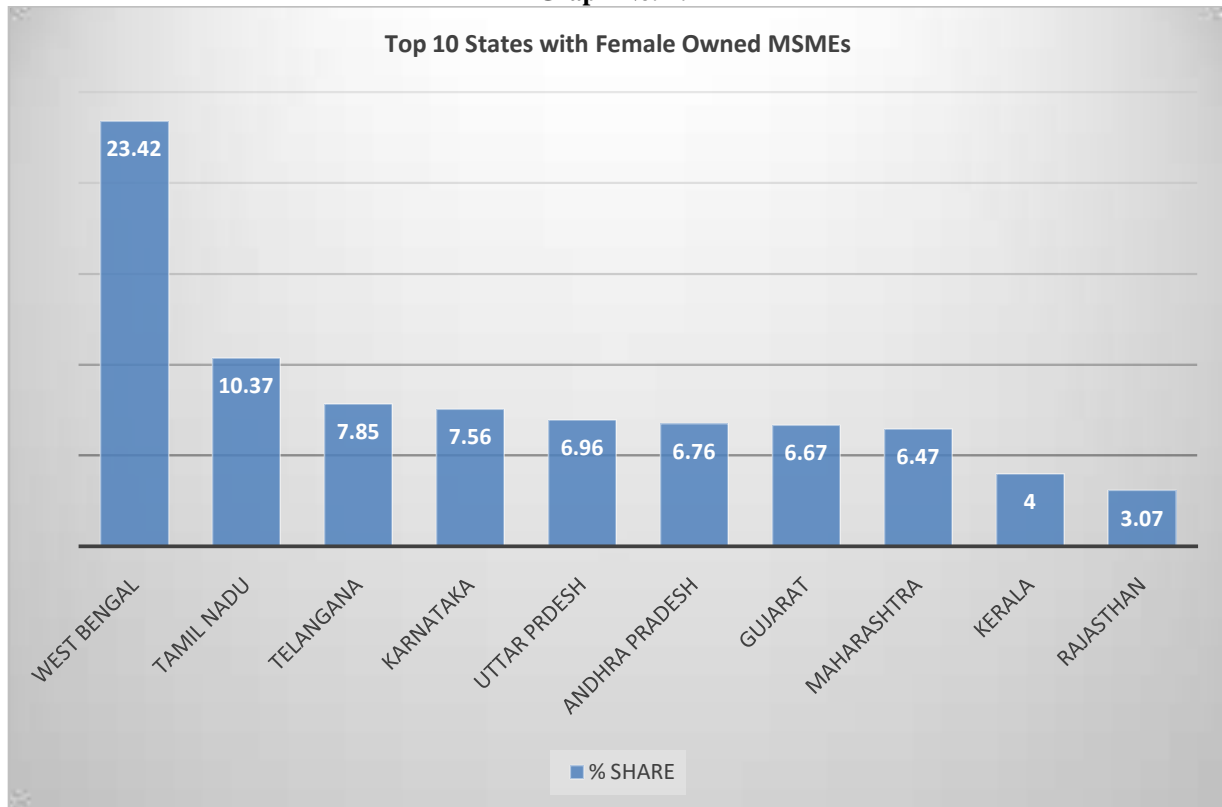
Table No.3:- Top 10 States with Highest Percentage of Women Owned MSMEs.

S. NO.	STATE	% SHARE
1	West Bengal	23.42
2	Tamil Nadu	10.37
3	Telangana	7.85

4	Karnataka	7.56
5	Uttar Pradesh	6.96
6	Andhra Pradesh	6.76
7	Gujarat	6.67
8	Maharashtra	6.47
9	Kerala	4
10	Rajasthan	3.07

Source: MSME Annual Report 2022-23

Graph No. 2:-



Source: MSME Annual Report 2022-23

West Bengal with 23.42% of female owned MSMEs has the largest number of women owned MSMEs, on the other hand this share is 0.01% and 0% in case of Daman & Diu and Lakshadweep respectively. In the top 10 women led MSME states there are 5 states from the South India named as Tamil Nadu (10.37%), Telangana (7.85%), Karnataka (7.56%), Andhra Pradesh (6.76%) and Kerala (4%). From this it can be observed that most of the female owned MSMEs are concentrated in the South India. This reflects that geographically south provides healthy environment to women entrepreneurs for growing and nurturing their businesses.

Conclusion:-

Micro, small and medium enterprises (MSMEs) are playing front role in developing the Indian economy. With its growth it has led to involvement of women entrepreneurs in this sector. As per 73rd NSS round there are total 633.88 lakh enterprises in MSME sector in India. Out of all as a whole 79.63% enterprises are owned by males and the rest 20.37% are owned by females. In the all over India, West Bengal has the highest share of 23.42% of female entrepreneurs in India. All these stats shows that there is still need to work to improve the participation of women entrepreneurs. Government is taking various initiatives through schemes, skill development programs, policies and financial support through loans and subsidy grants to promote women to start their entrepreneurial journey. However, there is a long way to go to achieve the equal participation of male and female entrepreneurs in the MSME sector and all other sectors in India.

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