

## Role of MSMEs in Development of Women Entrepreneur

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### ABSTRACT

Women entrepreneurs emerging as business profile for the socio-economic development of the country. Women entrepreneur has been considered important due to its own skill of time and financial management, leadership quality, self-employment and ability to generate employment and idea generation, etc. which remain hidden earlier. In India, where lack of capital is major problem faced by Entrepreneur. It has been solved by the MSMEs. This paper explores importance of women as entrepreneur, why women emerges as entrepreneur and role of the MSMEs in the development of women entrepreneur. Further, it discusses various scheme, initiative taking by the MSMEs to boost up women Stand-up.

**Key Words :** MSMEs, Women entrepreneur, Emergence, Globalisation, Self-realisation, Women entrepreneurship platform

### INTRODUCTION

Development of women leads movement in family, village and nations. Women empowerment ensures society stability that makes it prerequisite to a construct fine nation. Success makes women synonymous to men. Free flow of entrepreneur skill is worth of life. Right attitude towards the stand-up makes the person entrepreneur which mostly prevail in village or small town in women.

Women Entrepreneur encompass approximately 1/3 of all entrepreneurs worldwide. In present scenario, all the successful women entrepreneurs start their businesses as a second or third profession at age around 40–60 years old.

Government of India has defined: “Women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women.” Women participation in an entrepreneur is not only based on equity and employment in business. Women entrepreneurs are owner of business enterprise who takes initiate, coordinate,

sales and made financial arrangement in business.

### Enterprise made women Empower:

Empowerment the women refers women’s influence to one’s own life, to make one’s own choices and to act upon these choices in decision making.

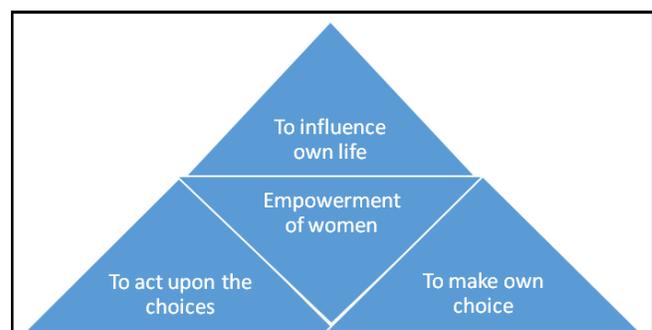
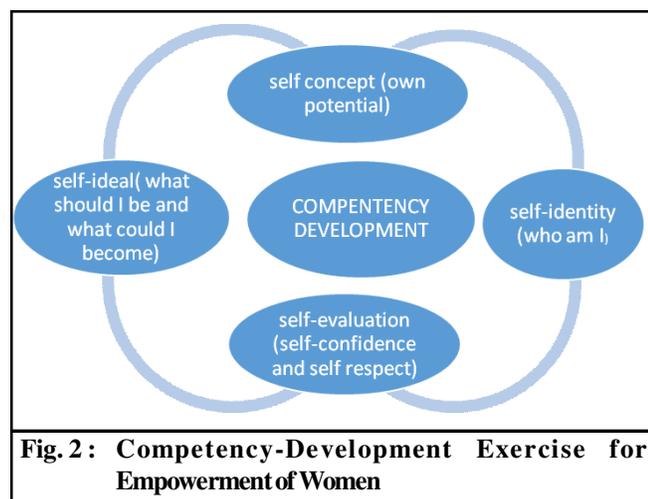


Fig. 1 : Empowerment of Women

Enterprise makes women empowerment that leads women development, economic growth and social stability that not only help the women’s family but also nation. Empowerment of women involves access to resources

and markets, actual ownership and active control.

Following competency-development exercise helps in self-development and empowerment of women.



Women empowerment is the process of recognising strength, weakness, opportunities and threats of women for the Self- development to meet their goals. In the present scenario, women have enjoying leading position. Disparity between man and women reduce due to technological innovation and modern way of thinking that bring proportion of equality and equity or both through provision of employment and enterprise creation. Above all has been possible when women empower own-self in four steps first identifies self-concept means inner potentialities of women. Secondly recognise self-identity means knowing herself. Thirdly it is necessary for the women to evaluate own Self- confidence and self-respect and finally forecast own future on the basis of own capabilities.

### Features of Women Entrepreneurship:

Following changing attributes leads emergence of women entrepreneurship:

- Push-pull factors are main cause of emergence of women entrepreneur. Where pull factors includes women entrepreneurs choose a profession as a challenge and as a wish to do something new, low risk in small and medium types of industries and government schemes, NGOs and financial support from banks and other sources and push factor includes family coercion and responsibility drive upon them.

- Rural women entrepreneur start business with low capital, low risk, less skill labour and modest

infrastructure e.g. dairy products, pickles, fruit juices, papads and jiggery making.

- Women entrepreneur of self-employed are, belong very poor family, have, establish tiny enterprise to earn livelihood. e.g. vegetables and fruits vendors, broom making, wax candle making, providing tea coffee to offices, ironing of clothes, knitting work, tailoring firm, etc.

- New attitude of society towards the women that realised women contribution in economic growth and development, etc.

- Globalisation brings new idea and tremendous opportunity that benefitted of women also.

- Innovation and research activities in technology leads women to come up and establish new enterprise.

- Social media continuously effort to highlight the issue of women stand-up.

- Past experience proves women are courageous whenever needed that contribute a lot to motivate the women stand-up.

- Self-realisation of women encourage the women to establish enterprise with little men assistance.

### Government Policy for Women Entrepreneurship Development:

Various steps was taking by the government during the five-year plan to assist in solving the problems and challenges face by the women enterprise:

- “Integration of women in development” in the seventh five-year plan by treating women as special target group, formulates vocational training and skill development, assist in marketing the products and involve decision-making processes in women enterprise.

- Employment generation for rural women in eight plan through developing the qualities of women.

- In Ninth Five year plan, introduce various schemes to promote the women entrepreneurship *i.e.* Trade Related Entrepreneurship Assistance and Development (TREAD) scheme through qualities development, Women Component Plant to assist the women entrepreneurs, Swarna Jayanti Gram Swarozgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana for women reservation and encouragement in future, Women Development Corporations, Women Development Corporations to arrange the credit and marketing and State Industrial and Development Bank of India (SIDBI) establish Mahila Udyam Nidhi, Micro Credit Scheme for Women, Mahila Vikas Nidhi, Women Entrepreneurial

Development Programmes, Marketing Development Fund for Women.

- Women self-employment training programmes are as Support for Training and Employment Programme of Women (STEP), Development of Women and Children in Rural Areas (DWCRA), Small Industry Service Institutes (SISIs), State Financial Corporations, National Small Industries Corporations, District Industrial Centres (DICs).

- Women entrepreneur training programme for first-generation women entrepreneur organize through the EDP. Government establish three entrepreneurship development training institute namely National Institute of MSME, Hyderabad, National Institute of Entrepreneurship and Small Business Development (NIESBUD), Noida and Indian Institute of Entrepreneurship (IIE), Guwahati and NISC, Delhi in 2007-08. As per NSIC -2016-17, 21313 women got trained under various training programmes.

**Table1: Scheme of Training**

Scheme of training	Total number of women gets training 2012-13	Total number of women gets training 2016
NIESBUD, Noida	2786	
NI-MSME, Hyderabad	2598	4,818
IIE, Guwahati	16,668	
NSIC	23,319	27,557
MSMEs tool room		17008

Source: Annual report MSMEs 2011-2016

- In 2017, Department of Science and Technology, Government of India take initiatives to strengthen the ecosystem for women entrepreneurs particularly in technology domain. These women entrepreneur specific programs include identifying and awarding, providing knowledge and skills, mentoring and networking, incubation and acceleration support, international exposure, etc. to women entrepreneurs. The programme aims to create platform for self-employment and livelihood generation.

- Biotechnology Research Assistance Council (BIRAC) introduce to facilitating women empowerment to discuss barriers that women entrepreneurs face while starting and scaling their businesses in India.

- NITI Aayog establish Women Entrepreneurship Cell (WEC), in NITI Aayog to promote and support established as well as aspiring women entrepreneurs in

India in 2017.

- Women Entrepreneurship Platform has been formed and officially launched on 08.03.2018 in NITI Aayog. Women Entrepreneurship Platform (WEP) will work in collaboration with public as well as private sector organizations and help to bring them on a single platform by listing their women focused entrepreneurship development schemes and programmes, so that women entrepreneurs can derive benefits from such existing schemes and use networking and partner connect to increase the effectiveness of the existing initiatives in the entrepreneurial space.

- Biotechnology Research Assistance Council (BIRAC) focused on women empowerment such as SPARSH and various other programs under the Grand Challenges India through BIG, SBIRI, BIPP, PACE, etc. Women Biotech Park develops to provide incubation space and mentoring specifically to women students/scientists/entrepreneurs, a woman focused entrepreneurship award called WInER Award (Women in Entrepreneurial Research) announced in 2018.

- The Micro, Small and Medium Enterprises Development Organisation (MSME-DO), the various State Small Industries Development Corporations (SSIDCs), the nationalised banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs) to enhance skills and education, training in TV repairing, screen printing, printed circuit boards, leather goods, etc.

- “Outstanding Women Entrepreneur” award of the year to provide incentives and to recognise achievements made by women entrepreneurs

- Women Cell have opened by The Office of DC (MSME) for women facing specific problems. It is to provide assistance and coordination to women entrepreneurs.

- Department of Women and Child Development establish the Income Generating Scheme to implement assistance for setting up training-cum-income generating activities for needy women to make them economically independent.

- The Small Industries Development Bank of India (SIDBI) introduce Mahila Udyam Nidhi to deals with equity to women entrepreneurs and the Mahila Vikas Nidhi deals with developmental assistance for women in income generation.

- The SIDBI start up an informal channel for credit needs on soft terms to women.

– SIDBI also provides training for credit utilisation skills for women.

– Socio-economic Programme of Central Social Welfare Board grant for setting up a production unit.

– Under e-learning platform, ni-msme has developed a dedicated portal for different modules targeting mainly women entrepreneurs for their career progress from home. Under this initiative, around 5,901 entrepreneurs have enrolled in 17 trades up to 31/03/2017.

– Presently women entrepreneur are getting 3Es *i.e.* engineering, electronics and energy through training. Government introduce the promotional packages for capacity building of women in 2007.

– Government introduce skill development programme through enhancing training capabilities of tool room of women entrepreneur at free of cost.

– The Mahila Coir Yojana is a woman oriented self-employment Scheme for rural women artisans. One artisan per household is eligible to receive assistance and training under the Scheme (75% subsidy and 2 months training).

– Credit Guarantee Trust Fund for MSEs provides free credit (no collateral) up to 80% credit women MSMEs.

– Government has to introduce Cluster Development Programme (MSE-CDP) for enhancing productivity, capacity building and competitiveness among the women MSEs.

– Government has built common facility centres (CFC), Common Display Centres (CDC) for funding women entrepreneur and ‘Infrastructure Development Projects (new/upgradation)’ for women.

### Financial Schemes for women entrepreneur:

– Annapurna Scheme is offered by the State Bank of Mysore for setting up food catering industry by women entrepreneurs to fulfil the working capital needs of the business like buying utensils and other kitchen tools and equipment. The maximum amount of money that is granted is ₹50,000 for that interest rate is determined depending upon the market rate.

– Stree Shakti Package For Women Entrepreneurs for 50% share in the ownership of a firm or business and having interest in Entrepreneurship Development Programmes (EDP) is offered by most of the SBI branches the loan of Rs. 2 lakhs or more is offers a discounted rate of interest *i.e.* 0.50%.

– Bharatiya Mahila Bank Business Loan/ the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), to support new ventures in the fields of the retail sector, loan against property, MICRO loans, and SME loans by women. There is no collateral security for a loan of up Rs. 1 cr. to 20 cr for manufacturing industries at 10.25%-12.25% interest rate.

– Dena Shakti Scheme is provided by Dena bank to agriculture, manufacturing, micro-credit, retail stores or small women entrepreneurs. Maximum loan amount being Rs. 20 lakhs for retail trade; education and housing whereas ₹50,000 under the microcredit at 0.25% interest rate.

– Udyogini Scheme to support agriculture, retail and small business women enterprises is offered by Punjab and Sind Bank. Bank offer loans for Rs. 1 lakhs to 18-45 years old women but your family income is also taken into consideration and special concession for SC/ST women *i.e.* Rs. 45,000 per annum.

– Cent Kalyani Scheme to support in venture/ expansion/modification of existing women village and cottage industries, micro, small and medium enterprises, self-employed women, agriculture and allied activities, retail trade and government-sponsored programs is offered by the Central Bank of India. Maximum Rs. 100 lakhs with no collateral security or guarantor and charges no processing fee is offered.

– Mahila Udyam Nidhi Scheme or soft loan scheme to support the women entrepreneurs involved in the small scale industries (beauty parlors, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc.) is launched by Punjab National Bank Rs. 10 lakhs is the maximum amount granted at market the interest rate.

– Mudra Yojana Scheme has been launched by the Govt. of India for individual women to start beauty parlors, tailoring units, tuition centres, like small business and venture of women group with no collateral security under 3 schemes mention as below:

– If the loan is granted, a Mudra card will be given

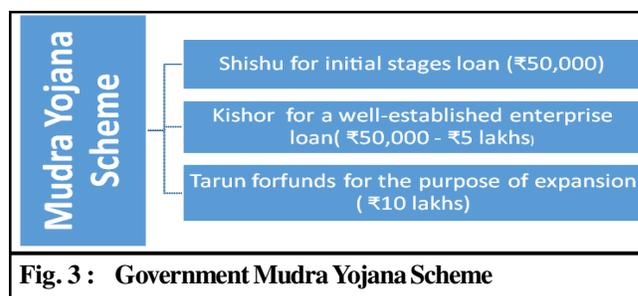


Fig. 3 : Government Mudra Yojana Scheme

to the applicant which function as the same way as a credit card however the funds available are limited to 10% of the loan amount granted to the applicant.

- Orient Mahila Vikas Yojana Scheme is provided by Oriental Bank of Commerce for holding a 51% share capital individually or jointly in a proprietary concern by women. For small-scale industries with (Rs. 10 lakhs up to Rs. 25 lakhs) loan reflect no collateral security is available at an interest rate of up to 2% that is repayable in 7 years.

- To develop the potential of women, Entrepreneurship Development Programmes (EDPs) creates that enhance education and skills of women. Women cell has to develop for the women enterprise coordination and assistance.

- Prime Minister’s Rozgar Yojana (PMRY) has given relaxation for women to facilitate women participation in the scheme.

- Prime Minister Rojgar Yojana and EDPs, train women for agriculture and allied activities, specialized KVIC activities, women co-operative for agro-based industries of women and integrated Rural Development Programs (IRDP), Training of Rural youth for Self-employment (TRYSEM) to the women for alleviating the poverty (Table 2).

- MSE Cluster Development Programme i.e. hard intervention in women entrepreneur has upto 90% of the project cost.

- Credit Guarantee Fund Scheme for Micro and Small Enterprises covers guarantee up to 80% in women enterprise.

**Major Initiatives DC-MSMEs:**

- To increase women participation in International Trade Fair, Government reimburse economy class air fare and 100% space rent to North eastern regions women entrepreneur.

- In North eastern and Hill states, GOI assistant in term of 90% grant for CFCs and more than 50% for clusters of micro/women/SC/ST business units under MSE CDP scheme.

- Under MSE CDP scheme, Grant for infrastructure development to the women owned stand-

up where government limit of the assist up to 60% i.e. Rs. 10.00 crores.

- Government conduct various 2 weeks and 6 weeks Entrepreneurship Development Programme for weaker section and SC/ST/Women/Physically Handicapped respectively at free of cost with a stipend for attendees.

- Government creates an Internal Complaints Committee under Prevention and Redressal Act, 2013 to prevent women from sexual harassment where online complaint management system develops for central government women employ.

- Government provides 500 new model eight-spindle charkhas to the women spinners of nine State of the Country to enhance the productivity and their wages.

**Women and MSME:**

According to the 4<sup>th</sup> census, there are 1.3 million SSIs and 9.1 million registered SMEs in India. National sample survey shows 14% women entrepreneur run their small-scale industries in India i.e. 8 million women entrepreneurs as compared to 126 million in the world. On the other hand 24% women occupy senior level position in India reflects by Global report. The sixth economic survey added a sectorial share of women entrepreneur i.e. 13.3% of women entrepreneurs work in agriculture sector and more than 65% work in non-agriculture sector.

Women entrepreneurs are more common in smaller towns compared to metros. Now, women find it easier way to stand up. Women entrepreneur (MSMEs) is essential for the empowerment and sustainable development. In India, women employment and entrepreneurship are greatly contribute by MSMEs. MSMEs has to develop the potential among the women so that they can survive in the competitive world.

MSMEs gives maximum opportunities, training and facilities to the women employees and entrepreneur that help in achievement of self-sufficiency, efficiency and high standard of living.

MasterCard Index of Women 2017, indicates lowest (9% women entrepreneur) rank of ‘Women Business Ownership’ index of India. India is lacking in providing

Table 2: Under PMEGP higher subsidy is provided to women beneficiaries						
Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Women Beneficiaries under PMEGP	13612	13448	13394	11356	14768	8464* provisional

Source: PMEGP report 2017

opportunities for women to know-how, cultural bias, leadership roles, and participation in the workforce or engagement in entrepreneurial action.

Global women entrepreneur index 2014 was 26<sup>th</sup>/30 whereas in 2015 rank falls at 29<sup>th</sup>/31 and Indian female entrepreneurship index reflects 70<sup>th</sup> position out of 77 countries.

#### **Facts of Women Entrepreneur in India:**

- Between age the 20-30, 58% women entrepreneur find in India
- Women entrepreneur contributes in revenue generation *i.e.* 73% nearly Rs.10 lakhs in one financial year.
- More than 50% women have courage to start the business alone, and 35% have co-founder, 3% venture capital.
- Women entrepreneur has a capacity to employ more or less 5 person in a unit.
- Above facts has change the picture of women from home maker to economic contributor especially in medium and small scale enterprises. According to the World Economic Forum, Global Gender Gap Report 2018, India ranks 142nd out of 149 countries in the economic opportunity and participation sub index with few achievements.

#### **Indian women entrepreneurs are suffered low level skill in organizing and running businesses:**

Sangeeta Gupta, Nasscom, said, “Women have always been a significant part of the Indian IT-BPM (information technology-business process management) sector. With the launch of the GIT initiative, we hope to inspire more women to join the tech community, use their creative technical expertise and encourage them to join other active women leaders in creating unique solutions and technologies. We are also organising the ‘Tech Makers’ event, in partnership with Google, to sustain the momentum on empowering start-ups. We have already

received great response from women entrepreneurs across different cities in India.” Nasscom has announced the launch of ‘Girls in Technology (GIT), to promote women entrepreneurs in India.

#### **Classification of women-owned MSMEs:**

As per the annual report of MSMEs, micro-enterprises are largely categories as women owned entrepreneurship followed by small sized and medium enterprises. Mostly (90%) women-owned enterprises are in the informal sector. The classification of women-owned businesses is shown in Table 3.

#### **Women owned enterprise contribution in different Sector:**

According to the MSME ministry, the 4<sup>th</sup> census, the MSME sector underwrites about 45 per cent of India’s total manufactured output and nearly 40% of its exports. Which gave livelihood to 60 million people. Nearly 13.7 % were women enterprises out of the total 1,564,000 registered enterprises.

Mostly women MSMEs are engage in home-based entrepreneurial unit for example milk vending, goat rearing, butter and ghee making,, home-grown vegetables, poultry farming, money-lending, pawn brokering, etc. it has been found effective in socio-economic development by providing employment to 3.68million in agriculture based a unit and 3.95 million opportunities in non-agriculture the units. Now the scenario has been changed women entrepreneur shift towards more on tech-based industries as follow. In the non-agriculture unit, major contribution comes from manufacturing, education food services, retail, trade and soon (Table 4).

#### **Women enterprise in selected states:**

As per the Annual report of MSMEs women owned enterprise increase manifold in all the states of India but west Bengal reflects drastically change in 2017 as compared to 2006-07 as indicated in Table 5.

**Table 3: Classification of women-owned MSMEs**

Category	Registered	Unregistered	Total	Total versus all women-owned businesses (%)	Total versus all MSMEs (%)
Micro	274,059	2,655,318	2,929,377	97.62	9.40
Small	40,722	30,414	71,136	2.37	0.23
Medium	276	-	276	0.01	0.01
Total	315,057	2,685,732	3,000,789	100.00	10.25

Source: All data in this section from Quick Results Fourth All India Census of MSMEs 2006-07; Annual Report of Ministry of MSME, 2011-12 projected, MicroSave Analysis

**Table 4: Women owned Enterprise and no. of employed per head**

Business unit	Without hired worker	With at least one hired worker	Total	% share in total establishment	% share in total employment
Agriculture based unit	2531540	230227	2761767	34.3	90.8
Non- Agriculture unit	4165814	1123238	5289052	65.7	42.02

Source: Annual report of MSMEs 2017

**Table 5: Total number of women enterprise in India and Selected States**

Select States	2018 (%)	4 <sup>th</sup> census 2006-07 (%)
Tamil Nadu	10.37	3.57
Kerala	4	2.69
West Bengal	23.42	2.45
Karnataka	7.56	2.12
Andhra Pradesh	6.76	1.16
Madhya Pradesh	2.99	1.16
Maharashtra	6.47	1.03
Odisha	2.38	.92
Uttar Pradesh	6.96	.83
Punjab	1.81	.81
Gujarat	6.67	.80

Source: All India census of MSME units, 2006-07 GOI, Annual report of MSMEs 2017-18

**Conclusion:**

Women entrepreneur in India continuously shown landmark in the field of business but still lag behind due some social-economical reason.

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