

The Rise of Women Entrepreneurship & Empowerment – A study of their Role in MSMEs

Mr. Chinmay Mishra

Jr. lecturer in commerce, Aeronautics College, Sunabeda

Mail Id: chinmaymishra2@yahoo.com

Abstract:

In this liberalized and globalized world, woman entrepreneurs play an important role for the complete and sustainable growth of any country. There is a need to explicitly recognize women's capabilities and their skills in order to support them become an entrepreneur. The Central and State Government has been implementing several schemes, policies and programs for the development of women entrepreneurship in India right from fifth five-year plan (1974 to 1979) when the focus on women shifted from women welfare to women development and empowerment. In this backdrop, this paper attempts to identify and review various schemes offered by Ministry of MSMEs that encourages women entrepreneurs, It also focuses on the major constraints that women entrepreneurs face. The study concludes that Ministry of MSMEs plays a pivotal role for the growth of entrepreneurs in general and women entrepreneur in particular, the study also shows that among various schemes that are offered for women - TREAD, mahila coir yojana, exhibitions are extremely useful and promotes women entrepreneurship.

Key Words: *Micro Small and Medium Enterprises, Women Entrepreneurs, TREAD, Mahila Coir Yojana.*

1. Introduction

Any enterprise can be broadly classified into two categories – Manufacturing; and those engaged in providing/rendering of services. Both categories of enterprises have been further classified into micro, small and medium enterprises based on their investment in plant and machinery (for manufacturing enterprises) or on equipments (in case of enterprises providing or rendering services). The ceiling on investment to be classified as micro, small or medium enterprises is given in table 1. However, the Government has amended the classification based on business turnover instead of investment ceiling with effect from February 2018. Hence, The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 will accordingly be amended as given in table 2.

Table 1: Investment Ceiling for Plant, Machinery or Equipments

Classification	Manufacturing Enterprises	Service Enterprises
Micro	Upto Rs.25 lakh	Upto Rs.10 lakh
Small	Above Rs.25 lakh and upto Rs.5 crore	Above Rs.10 lakh and upto Rs 2 crore
Medium	Above Rs.5 crore and upto Rs.10 crore	Above Rs.2 crore and upto Rs .5 crore

Source: Ministry of MSME Website

Table 2: Ceiling based on Business Turnover

Classification	Manufacturing and Service Enterprises
Micro	Not exceeding Rs 5 crores
Small	Between Rs 5 crores to Rs 75 crores
Medium	Between Rs 75 crores to Rs 250 crores

Source: Ministry of MSME Website

Women Entrepreneurship

Women entrepreneurship is the process where women organize all the factors of production, undertake risks, and provide employment to others. A woman entrepreneur is one who starts business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organize and combine the factors of production,

operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise. Prime Minister's Employment Generation Programme, (PMEGP), aims at generating employment in rural and urban areas of the country, has helped women entrepreneurs set up 30,437 projects during 2016-17 and 2017-18 with financial assistance of over Rs. 85,305 lakhs. Women entrepreneurs from the micro, small and medium sectors from Tamil Nadu, Uttar Pradesh, Assam, Maharashtra, Jammu and Kashmir, Bihar, Odisha and Gujarat have been beneficiaries of the PMEGP. Under the scheme, the women entrepreneurs are provided 25% and 35% subsidies for the project set up in urban and rural areas respectively. For women beneficiaries, their contribution is 5% of the project cost while for general category it is 10%. The maximum cost of the project under PMEGP scheme is Rs.25.00 lakh for manufacturing sector units and Rs.10.00 lakh for units under service sector.

The Ministry of MSME has launched a portal "Udyam Sakhi" for encouraging women entrepreneurs and to aid, counsel, assist and protect their interests. He said Coir Board is implementing skill upgradation and Mahila Coir Yojana, under which programs like entrepreneurship development programme, awareness programme, workshop, seminar and exposure tours are conducted for attracting more women entrepreneurs to set up coir industrial units. Under 'Mahila Coir Yojana' scheme, which is exclusively for rural women artisans, training in spinning of coir yarn and various coir processing activities is imparted to rural women in regions producing coir fiber in the country.

Khadi and Village Industries Commission (KVIC) is also imparting training for skill development through 38 departmental and non-departmental training centers under various disciplines. During 2017-18, a total of 35955 women candidates were trained. The Minister further informed that the entrepreneurs, including women entrepreneurs, can sell their products through 8058 sales outlets run by Khadi Institutions including 7 departmental outlets of KVIC located at Mumbai, Kolkata, Ernakulam, Bhopal, Goa, Patna and Delhi.

The ministry stated that under domestic fairs and exhibition component of Marketing Assistance and Technology Upgradation (MATU) scheme, 100% of the space rent is paid for SC/ST/Women/ NER/PH category MSE units limited to Rs.20,000. In the case of technology trade fairs and exhibitions the limit is Rs.50,000. Under international trade fairs and exhibitions component of MATU scheme, 100% of the space rent is paid for SC/ST/Women/NER MSE units subject to maximum Rs.1.00 lakh.

A summary of woman enterprises in different states of India is presented in table no 3.

Name of State/ UT	No. of Enterprises Managed By Women	No. of Women Enterprises
JAMMU & KASHMIR	5640	5742
HIMACHAL PRADESH	3515	3722
PUNJAB	30190	29068
CHANDIGARH	2059	2243
UTTARANCHAL	8706	8804
HARYANA	10087	9620
DELHI	13368	14383
RAJASTHAN	29785	36371
UTTAR PRADESH	54491	72667
BIHAR	38170	49443
SIKKIM	30	98
ARUNACHAL PRADESH	131	150
NAGALAND	207	179
MANIPUR	9168	10745
MIZORAM	3076	3700
TRIPURA	631	863

MEGHALAYA	3658	3580
ASSAM	11189	11757
WEST BENGAL	71847	69625
JHARKHAND	7271	7865
ORISSA	33274	38233
CHHATTISGARH	11766	10034
MADHYA PRADESH	62351	68823
GUJARAT	55361	53703
DAMAN & DIU & DADRA & NAGARHAVELI	167	213
MAHARASHTRA	80662	100670
ANDHRA PRADESH	77347	77166
KARNATAKA	101264	103169
GOA	677	810
LAKSHADWEEP	61	67
KERALA	137561	139225
TAMIL NADU	30289	129808
PONDICHERRY	1089	1065
ANDAMAN & NICOBAR ISLANDS	53	110
TOTAL	995141	1063721

Source: Ministry of MSME

WOMEN ENTREPRENEURS BENEFITED UNDER MUDRA SCHEME

The scheme aims to strengthen forward and backward linkages for robust value chains that women entrepreneurs are the major beneficiaries of the Centre's Mudra scheme. This is because women have cornered about 75 per cent of the total disbursements. The Central Government is ensuring that more and more women would join the organised sector.

The Pradhan Mantri Mudra Yojana (PMMY) is a flagship scheme of the government to provide loans of up to Rs 10 lakh to small entrepreneurs. The loans are being given by banks, small finance banks, non-banking financial companies (NBFCs) and microfinance institutions. The scheme aims to strengthen forward and backward linkages for robust value chains anchored by industries, aggregators, franchisors and associations.

The minister said there are 14 crore loans that have been processed. "Of these, 75 per cent have gone to female entrepreneurs. That speaks a lot about the latent entrepreneurial talent of Indian women and that is where the key lies for exponential growth."

In the textiles sector, about 70-75 per cent of the workforce are women. She also said that people from the industry have realised more people would stay longer in a company as well as learn and enhance their skills if the girls are assured of a residence and education.

In 2007, Ministry of Small-Scale Industries (SSI) and the Ministry of Agro and Rural Industries were merged to form the Ministry of Micro, Small and Medium Enterprises (M/o MSME). Now, it is this ministry who designs policies and promotes programs, projects, schemes and monitors that they are implemented with an objective of assisting MSMEs.

The M/o MSME operates under two Divisions called

- Small & Medium Enterprises (SME) Division and
- Agro & Rural Industry (ARI) Division.

The SME Division looks after the administration, vigilance and administrative supervision of the National Small Industries Corporation (NSIC) Ltd, a public sector enterprise and the three autonomous national level entrepreneurship

development/training organisations, viz., National Institute for Micro, Small and Medium Enterprises (NI-MSME) Hyderabad, National Institute for Entrepreneurship and Small Business Development (NIESBUD), NOIDA, Indian Institute of Entrepreneurship (IIE), Guwahati

The ARI Division looks after the administration of two statutory bodies viz. the Khadi and Village Industries Commission (KVIC), Coir Board and a newly created organisation called Mahatma Gandhi Institute for Rural Industrialisation (MGIRI). It also supervises the implementation of the Prime Minister's Employment Generation Programme (PMEGP)

OBJECTIVES

- To review the importance of Ministry of MSMEs.
- To identify the schemes offered by Ministry of Micro, Small and Medium Enterprises for the encouragement of women entrepreneurs.
- To study the major constraints faced by women entrepreneurs in Micro Small and Medium Enterprises.

Schemes Undertaken by MSMEs

It is primarily the State Governments responsibility to promote and develop MSMEs (encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario). However, the Government of India, supplements the efforts of the State Governments through various initiatives.

The schemes or programs undertaken by the Ministry and its organizations seek to facilitate:

1. Adequate flow of credit from financial institutions/banks
2. Support for technology upgradation and modernization
3. Integrated infrastructural facilities
4. Modern testing facilities and quality certification
5. Access to modern management practices
6. Entrepreneurship development and skill upgradation through appropriate training facilities
7. Support for product development, design intervention and packaging
8. Welfare of artisans and workers
9. Assistance for better access to domestic and export markets and
10. Cluster-wise measures to promote capacity building and empowerment of the units and their collectives.

The main focus of the schemes undertaken by the Organisations of the Ministry is thus to provide a wide range of services and programmes required for accelerating the development of MSMEs. Nevertheless, there are a few schemes and programmes which are individual or beneficiary oriented. While, there are several schemes, wherein women are provided extra benefits/concessions/assistance which are discussed below –

A. TRAINING OF WOMEN ENTREPRENEURS

Policies of Government have laid considerable emphasis on promotion of women entrepreneurship through various training and support services. Special attention is given by organizing exclusive Entrepreneurship Development Programmes (EDPs) and Management Development Programmes (MDPs) for women.

National level entrepreneurship development/training organisations to accelerate the spread of entrepreneurial culture among women, encouraged them to participate in different activities like Workshops, Entrepreneurship cum- Skill Development Programmes, Management Development Programme etc. In this way, the institutes had provided training to close to 25000 women.

B. TRADE RELATED ENTREPRENEURSHIP ASSISTANCE AND DEVELOPMENT SCHEME FOR WOMEN (TREAD)

During the 11th five-year plan Government launched a Scheme, namely, "Trade Related Entrepreneurship Assistance and Development (TREAD) to encourage women in setting up their own ventures. The scheme envisaged economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. There are three major components of the scheme;

(i) GoI grant upto 30% of the total project cost to the Non- Government Organisations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.

(ii) GoI grant upto Rs.1 lakh per programme to training institutions / NGOs for imparting training to the women entrepreneurs.

(iii) Need-based GoI grants upto Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

C. ACTIVITIES AND PROGRAMMES FOR WOMEN IN ARI SECTOR

To ensure adequate participation of women in ARI sector, the Coir Board is implementing the Mahila Coir Yojana which is a women-oriented self-employment programme. Under this programme women are provided training and ratts for carrying out spinning activity and increasing their earnings. Nearly 80% of the coir workers in the fibre extraction and spinning sectors are women.

Coir Udyami Yojana - This is a credit linked central sector scheme whose objectives are modernisation of the Coir Industry and enhancement of utilization of coconut husk and to provide more employment for women in rural areas. During 2017-18, Rs.6.32 crore (up to December, 2017) has been spent as margin money in setting up of 319 units. During the remaining period of this financial year 450 more units will be set up.

D. PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME AND WOMEN

This scheme was introduced in 2008-09 to provide relaxation to women beneficiaries such as

(i) For urban women beneficiaries, margin money subsidy is provided at the rate of 25 per cent of the project cost while it is 35 per cent for women in rural areas.

(ii) In case of women entrepreneurs, beneficiary's contribution is 5 per cent of the project cost while in the case of others; it is 10 per cent of the project cost.

(iii) Bank finance in the form of loan is 95 per cent of the project cost in case of women and other weaker section borrowers and 90 per cent of the project cost in case of others. Since inception (i.e. 2008-09 to 31.12.2017), 116447 projects have been assisted to women entrepreneurs under PMEGP.

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Women Beneficiaries under PMEGP	13612	13448	13394	11356	14768	8464	30437

Source MSME Annual Report 2018-19

E. MAHILA COIR YOJANA

This is the first ever scheme launched for women in the coir industry which provides self-employment opportunities to the rural women artisans in regions producing coir fibre. The Scheme envisages distribution of motorized rats for spinning coir yarn to women artisans after giving training. One artisan per household is eligible to receive assistance under the scheme. Women spinners are trained for two months in spinning coir yarn on motorized ratt at the Coir Board's Training Centres. The training is given in spinning of coir yarn/ various coir processing activities to rural women in regions producing coir fibre in the country. The scheme envisages distribution of motorized ratts/ motorized traditional ratts and other coir processing equipments which can be operated by women, at 75% subsidy subject to a maximum of Rs. 7500/- after completion of the 2 months training programme.

F. MICRO & SMALL ENTERPRISES CLUSTER DEVELOPMENT PROGRAMME (MSE-CDP)

A cluster is defined as a group of enterprises, normally 20 or more producing same/similar products/services. It aims at

identifying appropriate technologies and their providers to facilitate adoption of available technology meeting the specific needs of the end users. The Cluster Development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides assistance for capacity building, common facilities, marketing etc. the delivery, assimilation and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises. MSE CDP also provides funding support for setting up of „Common Display Centres (CDC) for Women Entrepreneurs.

G. CREDIT GUARANTEE FUND SCHEME

This scheme was launched in 2000 with an objective of making credit available to MSMEs. The Scheme provides collateral free credit facility (term loan and / or working capital) extended by eligible lending institutions to new and existing enterprises.

H. SUPPORT FOR ENTREPRENEURIAL AND MANAGERIAL DEVELOPMENT

MSME DIs (Micro, Small and Medium Enterprises Development Institute) regularly conduct EDPs/MDPs for existing and prospective entrepreneurs and charge fee for such courses. To encourage more entrepreneurs from among the SC/ST, women and physically challenged groups, it is proposed that such beneficiaries will not be charged any fees but, instead paid a stipend of Rs.500/- per capita per month. 50,000 entrepreneurs will be trained in IT, Fashion Technology, Catering, Agro & Food Processing, Pharmaceutical; biotechnology etc. through specialized courses run by MSME DIs. 20% of courses conducted by these Institutions shall be exclusively for women.

I. EXHIBITIONS FOR WOMEN UNDER PROMOTIONAL PACKAGE FOR MICRO & SMALL ENTERPRISES APPROVED BY CCEA UNDER MARKETING SUPPORT

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under SIDO stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan.

4. MAJOR CONSTRAINTS FACED BY WOMEN ENTREPRENEURS

- Risk-bearing ability – It is believed that most of the women are risk averse and want to park the money in the best and the safest avenue. This make up of mind is from the suppressed and protected environment in which they live.
- Multiple role of women – Women play a vital role in the family and in addition to this if a woman intends to be an entrepreneur, she has to strike a balance between the two which is very challenging, this might lead to family conflicts as they find little time for domestic work.
- Mobility – Since our society is restricted and conservative towards women and majorly androcentric, women had been facing the challenge of mobility. Although, now there is a good amount of liberty and freedom which women can exercise.
- Finance – Women are often denied credit by bankers and others as they believe that women are incapable of doing business and they have apprehensions that they might not get their money back, although now the situation has changed and a good deal of self- employment program has been promoted by the govt. and commercial banks.
- Marketing – Women face a lot of marketing related problems in terms of stiff competition, substitute products, liberal credit terms etc. Women entrepreneurs have inadequate knowledge and lack of access to right market place and has to sell the products or services through middle men, who eat away the margin.
- Absence of entrepreneurial attitude – Many women are not born entrepreneurs, but when trained they are at their best because of the level of hard work, commitment and dedication towards their work.
- Poor degree of freedom – The quantum of freedom given to women is generally poor in most of the families, women need to get the consent of the family members and then decide. This holds good even for entrepreneurial decisions.

CONCLUSION

Women are an important asset to the nation and their role is prominent in building the nation; there is a saying that “Behind every man there is a woman” and “Behind every woman there is her brain”. It becomes every individual’s duty to encourage women to utilize her brain which can help our country attain growth and economic development. The Central and the State governments have been encouraging women through various programmes, policies and schemes. Despite of that we still see there are lots of constraints that women entrepreneurs face. Therefore, there is a need for continuous attempt to inspire, motivate and encourage women and help women become independent and exhibit their inherent talent.

There is direct relationship between the economic growth, poverty reduction and women entrepreneurship. It has been correctly stated by our first Prime Minister Pandit Jawaharlal Nehru, that —when women move forward, the family moves, the village moves and the nation moves. The above discussion reveals that though women entrepreneurs are gaining recognition recently, still there is a long way they have to go. The transition from homemaker to women entrepreneur is not so easy and in the same way it is also difficult for a woman to succeed and sustain in her business. She has to learn from her experiences, adapt herself and overcome the challenges in her field. She has to creatively utilize her strengths to overcome the threats and grab all the opportunities to minimize her weaknesses. This will be certainly being a mantra for her to develop and grow her business successfully. Women are willing to take up business and contribute to the nation’s growth. Their role is being recognized and steps are taken to promote women entrepreneurship. Resurgence of entrepreneurship is the need of the hour. Women entrepreneurs must be moulded properly with entrepreneurial traits and skills to meet changing trends and challenging global markets, and also be competent enough to sustain and strive in the local.

References

1. Dr. Anita Mehta and Dr. Mukund Chandra Mehta, Rural Women Entrepreneurship in India - Opportunities and challenges, International Conference on Humanities, Geography and Economics (ICHGE'2011) Pattaya Dec. 2011.
2. T. Vijayakumar and B. Naresh, Women entrepreneurship in India- role of women in small and medium enterprises, TRANS Asian Journal of Marketing & Management Research, July 2013
3. Vijay Kumbhar, Some Critical Issues of Women Entrepreneurship in Rural India, European academic research, vol. I, issue 2/ may 2013.
4. Prof.C.P.Kothawale, Women Entrepreneurship Development: Problems & Prospects, Sanshodhan kranti, Vol- 2, Issue- I, May- 2013
5. Gurendra Nath Bhardwaj et al., Women Entrepreneurship in India: Opportunities and Challenges, Research paper.
6. Annual Report of MSMEs
7. MSME website
8. CMIE website