

Role of Women In Micro, Small And Medium Enterprises (MSME)

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There is growing evidence all over the world that Small and Medium Enterprises (SMEs) play a significant role in the national economic development of any country. They provide majority of new jobs and produce much of the creativity and innovation that fuels economic progress. SMEs do not only constitute of enterprises, however, but are clearly led and strongly influenced by people, and most of all by the entrepreneurs behind them. There are different kinds of entrepreneurs. They may be classified on the basis of, for instance education, motivation, age, business characteristics and gender. One of the most rapidly expanding categories is that of women owned enterprises (WOEs), which require attention for a number of reasons. The potential of women, who represent half of mankind, is greatly underdeveloped in many societies. Yet, women clearly play a very important role in many respects, including in the local economy. By forming WOE, women are often able to overcome traditional boundaries. WOE now account for a growing share of all new enterprises in many economies. New technologies and associated societal and organizational changes represent great opportunities. However, barriers remain.

Key Words: SMEs, Economic Development, Women Entrepreneurship, India.

Introduction

Women entrepreneurs make significant contributions to their economies. It is estimated that SMEs with full or partial female ownership represent 31 to 38 percent (8 to 10 million) of formal SMEs in emerging markets.[1] These firms represent a significant share of employment generation and economic growth potential. Furthermore, it is estimated that failure to achieve Millennium Development Goal (MDG) target 3 on the promotion of gender equality and empowerment of women could reduce per capita income growth rates by 0.1–0.3 percentage points.[2]According to IFC McKinsey Study 2011, “ Women-owned businesses appear restricted in their growth paths. Women’s entrepreneurship is largely skewed towards smaller firms. They make up nearly 32 to 39 percent of the very small segment of firms, 30 to 36 percent of small SMEs and 17 to 21 percent of medium-sized companies.” [3] Women entrepreneurs are also more likely than their male colleagues to be in the informal sector, running smaller firms mainly in service sectors and thus operating in lower value added sectors. In addition, they operate more home-based businesses than do men.

India is a resource based country both natural and human but overpopulated where society is highly stratified in gender and class based. From the year of early 1990s, including India the developing countries of the world have been focused attention on the development of women entrepreneurship. However, women make nearly 50% of the total population structure [4], which means huge potential to be utilized for socioeconomic development of the country. Due to the demographic structure, the issue of the participation of women in the mainstream economy is crucial. It is also impossible to achieve the target of poverty free society and achieving the millennium goals without incorporation of women in the income generating activates. Considering the issue, a special emphasis has been given by the Government, donor agencies, NGOs, business community and all other relevant stakeholders through various initiatives to ensure women’s participation in business and industry.

Majority of women in India are not only poor but also stifled between the world that determined by culture and tradition to engaging themselves in the activities of homesteads that keep them outside into various economic activities. For those cultural barriers- despite various initiatives from different corner, the level of participation of women in the mainstream economic activities remains insufficient and the percentage of women participation in business and industry is still below than that of their male counterpart. Although women have now become aware of their socio-economic rights and have ventured to avail the opportunities and take challenge to develop themselves in business activities.

It is inspiring to mention here that, now a day more women interested to establish their own business as professionally both in the urban and rural areas as to overcome poverty, generate family income and increasing standard of living. This is because access of capital, funding capital through SME loan, and other supportive program by government and others concerning body. On the other hand, some women have taken up women entrepreneurship not necessarily to earn and survive but to form their careers and become professionals in order to contribute towards the progress of the society and nation.

Objectives

1. To study the concept of women Entrepreneurship in India.
2. To analyze the Present Scenario of Women owned SMEs in India.
3. To highlight the problems faced by Women owned SMEs.
4. To examine Schemes and initiatives taken by the Government for Women owned SMEs.

Methodology

The paper is descriptive in nature. The data used in the paper is mainly from the secondary sources. The data has been collected from secondary sources like research papers, books, articles, Annual Reports of Government, Economic Surveys and MSME Census Report.

Concept of Women Entrepreneurship

The term “Women Entrepreneur” deals with that section of the female population who venture out into industrial activities i.e. manufacturing, assembling, job workers, repairs/servicing and other businesses. Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Women are expected to innovate, imitate or adopt an economic activity to be called women entrepreneurs.

The Government of India has treated women entrepreneurs of a different criteria-level of women participation in equity and employment position of the enterprise. As such “Women entrepreneurs is defined as an enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women”.

Women entrepreneurs’ enterprise as defined for the first time, in 1988 lay down that an enterprise owned and administered by a woman entrepreneur with a minimum financial interest of 51 percent in the share capital and giving at least 50 percent employment to women would be treated as women’s enterprise. The investment ceilings were kept at par with the limits specified in 1985 for other units, i.e. upto Rs. 35 lakh for SSI units and upto Rs. 45 lakh for ancillaries. This definition was revised in August 1991, by dispensing with the employment criterion for women workers.

Currently, the women’s enterprise is defined as a small scale industrial unit/industry related service or business enterprise managed by one or more women entrepreneurs in proprietary concerns in which she/they individually or jointly have a share of capital of not less than 51 percent as partners/shareholders/directors of private limited companies/members of cooperative societies.

Women and SME Development in India

Basically, Indian women have been one career that is marriage. But in present scenario, they are being shifted to teaching, professional career, office work, nursing and medicine. Moreover, they now started to engineering and business affairs. Actually participation of women in entrepreneurial behavior is comparatively a recent phenomenon.

As per the Fourth All India Census of MSME reveals that total number of registered enterprises was 15.53 lakhs out of which 2.15 lakhs units were registered as women enterprises. It was found that 13.85 per cent (205419) of the units in the registered MSME sector were women enterprises, whereas share of enterprises actually managed by female was 10.10%. There are 6.95% of the units in the unregistered MSMEs are women enterprises.

The CSO Survey of Manufacturing Enterprises (1994-95) showed that out of a total of 2.14 million proprietary units owned by women entrepreneurs 1.65 million (76 % of units) and 0.49 million (24% of units) units were located in rural and urban areas respectively. The survey also pointed out that women entrepreneurs have been undertaking activities in almost all industry groups and units’ hosiery, garments, wood products, cotton textiles and food products.

Table 1.1

Particulars	
Total Enterprise(Lakhs)	15.53
Women Enterprise(Lakhs)	2.15
Percentage share of Women (%)	13.72

Source: *Fourth Census Report on SSI Sector, 2007-08 p.20.*

Area wise Distribution of Female Enterprises

There is male dominance in ownership of MSMEs. However Female enterprises contribute 13.72 percent in the MSME Sector. The table below shows the percentage of female enterprise in SMEs in India. It is evident from the table that the Percentage of Rural female SMEs (15.27%) is more than the urban areas (12.45%).

Table 1.2:

Particulars	Female	Male
Rural	15.27	84.73
Urban	12.45	87.55
All	13.72	86.28

Source: MSMEs Census Report Fourth (2007-08)

Sector Wise Distribution of Female Enterprises

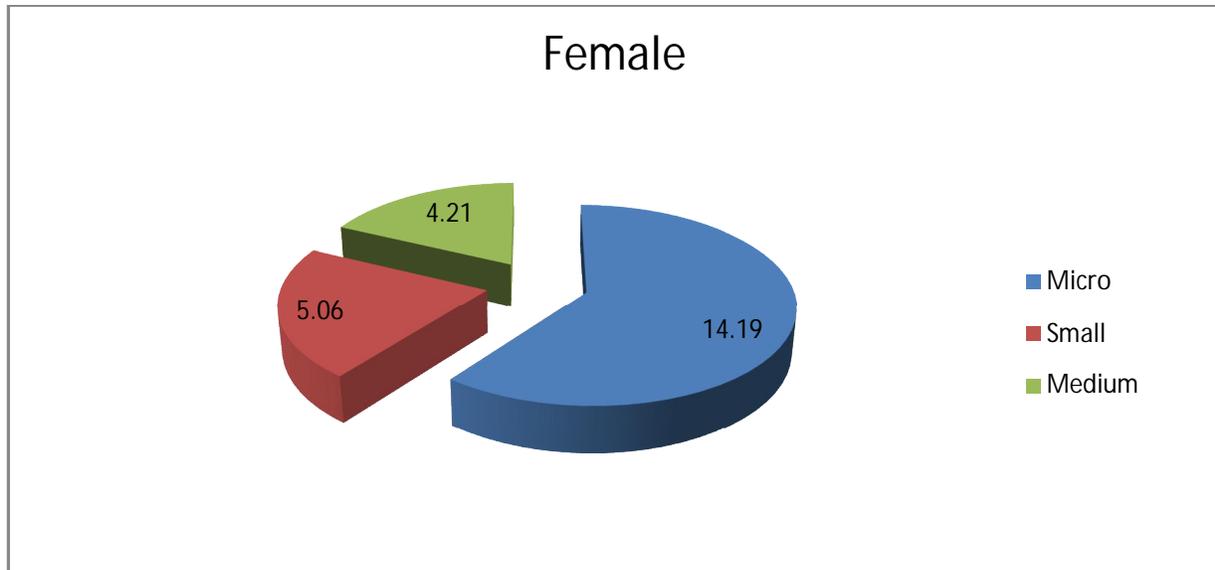
Table 1.3 depicts the sector wise distribution of female Enterprises in micro, small and medium scale enterprises. Micro enterprises are the major contributor in case of female enterprises which account for 14.19%. Whereas in case of medium enterprises it account for 4.21% where as small enterprises contribute to 5.06%. The overall contribution is 13.72% by female enterprises as against 86.28% by male enterprises.

Table 1.3

Particulars	Female	Male
Micro	14.19	85.81
Small	5.06	94.94
Medium	4.21	95.79
All	13.72	86.28

Source: MSMEs Census Report Fourth (2007-08)

Sector Wise Distribution of Female Enterprises



Source: Prepared by Research Scholar.

Government Schemes and Initiatives for Women Enterprises

There is growing evidence all over the world that Small and Medium Enterprises (SMEs) play a significant role in the national economic development of any country. They provide majority of new jobs and produce much of the creativity and innovation that fuels economic progress. The extra growth over the past several years throughout the industrialized countries has been due to the growth of SMEs. In India, the Ministry of Micro, Small and Medium Enterprises (MSME) is implementing the promotional schemes for the development of micro, small and medium enterprises. The schemes and programs generally focus on capacity building in states and regions; nevertheless, there are a few schemes and programs, which are individual beneficiary-oriented.

While there are no specific reservations for women, in the latter, there are some concessions/incentives available under these programs for the benefit of women entrepreneurs. In respect of entrepreneurship/skill development training programs, under the National Awards for Entrepreneurial Development (Quality Products) and Trade Related Entrepreneurship Assistance and Development (TREAD) Program for women, the necessary guidelines have been issued and specific reservation provided for women.

Similarly, other employment generation programs were being implemented by the Ministry like Rural Employment Generation Program (REGP) and Prime Minister Rozgar Yojana (PMRY), some concessions have been also provided for women beneficiaries. Besides, the Coir Board is implementing the Mahila Coir Yojana, which is a women oriented self-employment program.

Trade Related Entrepreneurship Assistance and Development

The Trade Related Entrepreneurship Assistance and Development (TREAD) scheme for women envisages economic empowerment of women through development of their entrepreneurial skills in non-farm activities. The government grants up to 30 per cent of the total project cost are provided to the Non-Governmental Organizations (NGOs) for promoting entrepreneurship among women. The remaining 70 per cent of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project. Further, the government grants up to Rs.1 lakh per programme is provided to training institutions/NGOs for imparting training to the women entrepreneurs. Under this scheme, proposals involving grant of Rs.51.65 lakh to 16 NGOs / institutions, have been approved for benefiting 1700 women.

Rural Employment Generation Programme

Rural Employment Generation Programme (REGP) is a flagship scheme of the government for employment generation programmes in the unorganized sector. Though there are no specific reservation for women entrepreneurs under this scheme, still there has been substantial participation (around 30 per cent) of women as a result of the promotional efforts undertaken in this regard. Under this programme, 3,656 projects of women entrepreneurs involving margin money of Rs. 6397.99 lakh have been assisted as government grant during 2007-08 up to December 2007.

Prime Minister Rozgar Yojana

During 2006-07, the participation of women in terms of employment generation under Prime Minister Rozgar Yojana (PMRY) was 16.5 per cent. Under the scheme, preference is given to women beneficiaries. The government also made several relaxations to women to facilitate the participation of women beneficiaries.

Mahila Coir Yojana

Mahila Coir Yojana is a woman-oriented self-employment scheme in the coir industry, which provides self-employment opportunities to the rural women artisans in regions producing coir fiber. The scheme envisages distribution of motorized ratts for spinning coir yarns to women artisans after giving training. Women spinners are trained for two months in spinning coir yarn on motorized ratts at the Coir Board training centers. A stipend of Rs.500 per month is also paid to the trainees. The Coir Board provides motorized ratts / motorized traditional ratts at 75 per cent cost subsidy, subject to a maximum, ceiling of Rs.7,500/- for motorized ratts and Rs.2,925/- for traditional ratts. During 2007-08, up to December 2007, 1,042 ratts have been distributed.

Training Of Women Entrepreneurs

The industrial policies of the government announced from time to time, have laid considerable emphasis on promotion of women entrepreneurship, particularly among first generation women entrepreneurs, through various training and support services. Special attention is being given by organizing exclusive Entrepreneurship Development Programmes (EDPs) for women. During 2007-08 upto December 2007, approximately 15,000 women participated in these training programmes. In addition to programmes and schemes of MSME, NSIC, KVIC and Coir Board relating to conduct of EDPs and SDPs for benefit of potential women entrepreneurs, three national level entrepreneurship development institutes set up by the Ministry, particularly Indian Institute of Entrepreneurship (IIE), Guwahati, are also undertaking training programmes for skills and entrepreneurship development for women. The National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida, has conducted seven training programmes exclusively for 227 women participants during 2007-08.

Promotional Package

In March 2007, the Government has announced a comprehensive Package for the Promotion of Micro and Small Enterprises, which comprises several proposals and schemes having direct impact on the promotion and development of the micro and small enterprises. These, inter alia, include credit and fiscal support, cluster-based development, infrastructure, technology and marketing support. Capacity building of MSME Associations and support to women entrepreneurs are the other important features of this Package.

Skill Development

The Government has taken up skill development as a high priority area through various measures like enhancing the training capabilities of the Tool Rooms, MSME Development Institutes and other organization under the Ministry of MSME. The agencies under the Ministry of MSME conducted programmes for skill development for nearly 1.8 lakh trainees during 2007-08 and the targets set for 2008-09 is 3 lakh persons. The Ministry of MSME provides all such trainings for SCs/STs, free of cost. Similar programmes are also being organized for women and other weaker sections of the society free of cost, besides providing a monthly stipend of Rs.500/- per month during the entire period of training.[9]

Impediments to Women Entrepreneurship

The problems and constraints experienced by women entrepreneurs have resulted in restricting the expansion of women entrepreneurship. The major barriers encountered by women entrepreneurs are:

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal- male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women
2. Male chauvinism is still prevalent in many parts of the country yet. Women are looked upon as —alba i.e. weak in all respects. In a male dominated society, women are not treated equal to men that act as a barrier to woman's entry into business.
3. Women entrepreneurs have to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products with both the organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women entrepreneurs.
4. Lack of self-confidence, will-power, strong mental outlook and optimistic attitude amongst women creates a fear from committing mistakes while doing their piece of work. The family members and the society are reluctant to stand beside their entrepreneurial growth.
5. Women in India lead a protected life. They are even less educated, economically not stable nor self-dependent which reduce their ability to bear risks and uncertainties involved in a business unit,
6. The old and outdated social outlook to stop women from entering in the field of entrepreneurship is one of the reasons for their failure. They are under a social pressure which restrains them to prosper and achieve success in the field of entrepreneurship

7. Unlike men, women mobility in India is highly limited due to many reasons. A single women asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women compels them to give up their spirit of surviving in enterprise altogether
8. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again.
9. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and family. The business success also depends on the support the family members extended to women in the business process and management.
10. Women's family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to manage both home and business efficiently, devoting enough time to perform all their responsibilities in priority.

Conclusion

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women. Women sector occupies nearly 45% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. Resurgence of entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshines in the enterprise field, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy. Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country's development process. We always viewed that a smart woman can pick up a job any day, but if she becomes an entrepreneur she can provide a livelihood to 10 more women at least. Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than dependent on wage employment outlets. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector.

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