

# Women Entrepreneurship and MSME in North India

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## **ABSTRACT**

*There is growing evidence all over the world that in developing countries like India and China micro, small and medium enterprises (MSMEs) have played an important role in the growth of economy because of their potential contributions to employment creation, improvement of income distribution, poverty reduction, and export growth of manufactured products. Beside these contributions, MSMEs are also considered as significant place for women, especially in rural areas, to be actively involved in economic activities, not only as hired workers but, more importantly as entrepreneurs. The main objective of this paper is to examine development of women entrepreneurs in MSMEs in India. The paper makes an attempt to analyse women's participation in entrepreneurial activities so as to highlight the contribution of women entrepreneurs towards economic development.*

*Women participation as entrepreneurs in these enterprises is become an important issue which need to be considered. Govt of India is taking many initiatives in this direction and for this shake they have launched various policies for the development of women entrepreneurship in MSME.*

**KEYWORDS:** Empowerment, Women Entrepreneur, MSME

## INTRODUCTION

As we know that economic development of a country is not possible without women participation, Micro Small and Medium enterprises can help to achieve this objective. But in India the contribution of economically active women in the past was not so much successful because of male dominated society and due to the lack of effective regulatory and supervisory measures. 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 household activities to 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 not enough and the percentage of women participation in business and industry is still below 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.

Micro, Small and Medium Enterprises (MSME) defined by Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, relate to all enterprises engaged in production of goods pertaining to any industry specified in first schedule of Industrial (D&R) Act, 1951 & other enterprises engaged in production and rendering of services subject to limiting factor of investment in plant & machinery and equipment respectively.

For manufacturing sector, an enterprise is classified as:

- micro enterprise, if investment in plant and machinery does not exceed twenty five lakh rupees;
- small enterprise, if investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; or
- medium enterprise, if investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees;

In case, enterprise is engaged in providing or rendering services, it is classified as:

- Micro enterprise, if investment in equipment does not exceed ten lakh rupees;
- Small enterprise, if investment in equipment is more than ten lakh rupees but does not exceed two crore rupees; or
- Medium enterprise, if investment in equipment is more than two crore but does not exceed five crore rupees.

## OBJECTIVES OF THE STUDY

Following are the objectives of the study:

- To study the position of women entrepreneurs in north India.
- To study the problems faced by women entrepreneurs in India.
- To study the initiatives taken by government for women entrepreneurs in India.

## RESEARCH METHODOLOGY

The present study is descriptive in nature. The secondary data has been used for the study and collected from annual reports of Ministry of Micro, Small and Medium Enterprises, Government of India, website of Reserve Bank of India, various journals, and newspapers. The data has been analysed with the help of table, graph and pie chart.

## CURRENT SCENARIO OF WOMEN ENTREPRENEURS IN INDIA

The role of small scale industries and its future scope has to be taken seriously for considering and shaping a platform for the women entrepreneurs. Since independence this sector has moved at a steady pace and so many changes have come up. Earlier it was segregated into tiny, small and ancillary units and now it is named as micro, small and medium.

## CHARACTERISTICS OF SSI UNITS MANAGED BY WOMEN

The table shows the characteristics of SSI units managed by women and it depicts that 995142 units are managed by women entrepreneurs in which 114362 are registered SSI unit and 880780 are unregistered units. It means mostly unregistered units are managed by women as compared to registered units and rate of employment is greater in unregistered units.

<b>PRINCIPAL CHARACTERISTICS OF SSI UNITS MANAGED BY WOMEN</b>						
<b>For units managed by women</b>	<b>No. of units</b>	<b>Market Value of fixed assets</b>	<b>Original Value of plant &amp; machinery</b>	<b>Employment</b>	<b>Gross output</b>	<b>Exports</b>
Regd. SSI Sector	114362	33624570500	11047852474	349342	60316833602	3314822655

Percentage to total of the respective category	8.32	3.66	3.64	5.67	2.97	2.69
Unregd. SSI Sector	880780	37763317590	11496115541	1429962	37324824839	53802469
Percentage to total of the respective category	9.63	6.04	4.68	4.68	4.72	0.28
Total SSI Sector	995142	71387888090	22543968015	1779304	97641658441	3368625124
Percentage to total of the respective category	9.46	4.63	4.11	7.14	3.46	2.37

<http://www.dcsmse.gov.in/ANNUALREPORT-MSME-2012-13>

### WOMEN ENTERPRISES AND SSI UNITS MANAGED BY WOMEN IN NORTH INDIA

The above table depicts women participation in MSME in north India. The total number of women enterprises in the Total SSI Sector was estimated at 73,582. The estimated number of enterprises actually managed by women was 73,565. In the States of Punjab Delhi and Haryana the share of women employment is significantly higher than other states of north India.

S. No.	Name of State/ UT	No. of Enterprises Managed By Women	No. of Women Enterprises
1.	JAMMU & KASHMIR	5640	5742
2.	HIMACHAL PRADESH	3515	3722
3.	PUNJAB	30190	29068
4.	CHANDIGARH	2059	2243
5.	UTTARANCHAL	8706	8804

6.	HARYANA	10087	9620
7.	DELHI	13368	14383
	TOTAL	73565	73582

SOURCE: <http://dcmsme.gov.in>

### EMPLOYEMENT OF FEMALE IN SSI SECTOR IN NORTH INDIA

The total number of female employees in the SSI sector is estimated at 33, 17,496 in India. Maximum no of female employees were employed in the SSI units located in the States of Punjab, Delhi and Haryana. The State-wise details are given in the following table.

S. No.	Name of State/ UT	No. Of Female Employees	
		Regd. SSI sector	Unregd. SSI sector
1.	JAMMU & KASHMIR	3313	8153
2.	HIMACHAL PRADESH	4016	4134
3.	PUNJAB	11757	36013
4.	CHANDIGARH	659	1975
5.	UTTARANCHAL	2940	13240
6.	HARYANA	15651	14889
7.	DELHI	6306	35798
	TOTAL	44,642	1,14,,202

## **PROPORTION OF FEMALE EMPLOYEES IN THE TOTAL EMPLOYMENT IN THE SSI SECTOR**

The proportion of female employees in the total employment in the SSI sector was of the order of 13.31 %. In the States of, Uttaranchal and Jammu & Kashmir the share of women employment was significantly higher (more than 20 %) compared to the total employment in other states of North India.

## **PROBLEMS FACED BY WOMEN ENTREPRENEURS**

Women entrepreneurs encounter many problems in their efforts to develop the enterprises they have established. The main problems faced by the women entrepreneurs may be analysed as follows.

**1. Lack of Finance:** Women and small entrepreneurs always face problems inadequate financial resources and working capital. They are lacking access to external funds due to

absence of collateral security and credit in the market. Since women do not generally have property in their names they lack security to avail loan. Also the complicated procedure of bank loans, delay in obtaining the loans and the running about along with the transaction cost involved there in work as deterrents against many women who aspire to be entrepreneurs.

**2. Inefficient Actions for Marketing of Products:** For marketing their products, women entrepreneurs are often depend upon the kindness of the middlemen who always try to get benefits. Further, women entrepreneurs find it difficult to marketing and sale their products. This problem is found all over the India due to lack of family and society support.

**3. Lack of Technical Education:** In India level of education among women is very low. Due to lack of education, majority of women are unaware of technological developments, marketing knowledge, etc. Lack of information and experience creates further problems in the setting up and running of business enterprises.

**4. Less Ability to Bear Risk:** Women have comparatively a low ability to bear economic and other risks because they have led a protected life. Sometimes, they face discrimination in the selection for entrepreneurial development training. Some of them lack entrepreneurial initiative

or specialised training. Inferiority complex, unplanned growth, lack of infrastructure, late starts etc. is other problems of women entrepreneurs in India.

**5. Social Attitude:** The biggest problem of a women entrepreneur is the social attitude and the constraints in which she has to live and work. Despite constitutional provisions, there is discrimination against women. In a tradition bound society, women do not get pro-active support from family members. Preference to boys and discrimination against girls are well known practices amongst majority Indian families.

**6. Low Mobility:** One of the biggest hurdles for women entrepreneurs is mobility or travelling from one place to another. Women on their own find it difficult to get accommodation in smaller towns. A single woman asking for accommodation is still looked upon with suspicion.

## **GOVERNMENT SCHEMES AND INITIATIVES FOR WOMEN ENTERPRISES**

Small and Medium Enterprises (SMEs) is playing an important role in the economic development of India. It helps in creating new jobs and produces much of the creativity and innovation that supports for economic development. In India, the Ministry of Micro, Small and Medium Enterprises (MSME) is implementing various types of promotional schemes for the development of micro, small and medium enterprises. Government time to time announce various promotional schemes of women entrepreneurship through different training and support services. Special attention is given by organising exclusive Entrepreneurship Development Programmes (EDPs) for women. 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.

## **FINDINGS AND SUGGESTIONS:**

The results of the study shows that in Uttarakhand and Jammu & Kashmir the proportion of women employment was significantly higher as compared to the total employment in other states of North India. It is observed that in Punjab women participation in management or ownership is highest than other states. There are so many reasons which encourage women to participate in small and medium scale industries like increasing level of income and education, independence of doing work inspire them to work. Now they are becoming aware about their rights and understand the fact that their participation can enhance a family society as well as country status. So many problems are faced by women that discourage them to take decisions like problem of security, handling family etc. Our government is taking various steps in this direction continuously but women awareness is the first requirement for achieving the goal of economic independence of women. Further study can be done on this topic like factors which effects women participation in MSME.

## **CONCLUSION**

Women entrepreneurship is not only a source of income generation but also a way of achieving economic independence. Women that are involved in enterprise are better off compared to those that are not. Realizing the importance of women entrepreneurship, India government has taken several steps to encourage women getting involved in various micro, small and medium enterprises. Meanwhile, banks, financial institutions like SIDBI, NABARD have also given importance to women entrepreneurs in India. These financial intermediaries provide credit facility to MSMEs sector particularly the women entrepreneurs. However, there is a greater lack of integration among various supportive organizations and lack of efforts to have sustainable benefits. The basic challenges are collateral free loans, lack of advanced technology, skilled and trained human resource, training and educational institutions, and infrastructure and utility services and so on. Hence, there should be such a kind of policy that helps in achieving target of economic independence of women entrepreneur and pave the way for the growth of Indian economy.

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