

WOMEN ENTREPRENEURSHIP IN MSMEs IN INDIA

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Abstract:

Women entrepreneurship refers to the act of starting, managing, organizing, and running a business enterprise. Historically, women entrepreneurship was not given much importance in society, but over time, many women have emerged and participated in entrepreneurship. Micro, Small and Medium Enterprises (MSMEs) have been instrumental in promoting industrial development, contributing nearly 6% to India's GDP, 33% to manufacturing, and 45% to exports. Increasing women's participation in MSMEs is considered a development goal, aiming to reduce poverty, improve family health, and empower women's economic status. MSMEs provide employment and are labor-intensive, yet they are successful in generating entrepreneurship. This sector requires minimal capital and local resources, allowing women from all backgrounds to pursue their entrepreneurial dreams. This paper aims to study the percentage distribution of MSMEs run by women entrepreneurs and analyzes the motivating and challenging factors for these entrepreneurs.

Key words: women entrepreneurs, MSME, challenges, motivating factors

Introduction

India's Women entrepreneurship, defined by the Government of India, involves women initiating, organizing, and controlling business enterprises. However, women's entrepreneurial capability has been undervalued, with many women successfully participating but still struggling to overcome societal, economic, and political barriers. MSMEs have a major impact on promoting economic growth and equitable development, subdivided into Manufacturing and Service enterprises, with subdivided into Micro, Small, and Medium categories. MSME sector plays a major role in employment, requiring robust ecosystem to survive in urban areas and rural areas, utilizing local resources.

Literature Review

Rajan S., et. al. (2019) in their paper “Successful Women Entrepreneurial Business performance Model in MSMEs in Karnataka” examined the different factors influencing success of women entrepreneurship and developed a model to decide the most influential factor behind success of women entrepreneurs. Ilahi S. (2018) highlights NSSO findings on female entrepreneurs in Indian MSME sector, emphasizing the need for attitude and mindset changes for successful government policies. Danabakyam M. and Kurian S. (2012) explore women entrepreneurs' success in MSME in Chennai city, examining industry-related factors and their impact on success. Lall M. and Yadav S. (2019) conducted an exploratory research on empowering women entrepreneurs in MSMEs in rural India. They explored opportunities and challenges, identifying key factors and awareness about government initiatives, using an exploratory design.

Objectives

1. To get an Overview of women entrepreneurs' enterprise distribution in India.
2. To review women entrepreneurs' industrial profiles in selected units.
3. To explore government initiatives to motivate employees.

Methodology

- Secondary data from Annual reports, MSME FLO Compendium, journals, and articles was utilized to achieve objectives.
- A sample of 70 successful women entrepreneurs has been selected on the basis of the following criteria:
 - (i) The business is established for at least 2 years.
 - (ii) The women entrepreneur owns at least 50% share of her business.
- Descriptive statistics has been used to analyse the collected data.

Data Analysis

(A) Analysis of data for Objective 1

Table 1: Percentage Distribution of Enterprises in Rural and Urban areas

Sector	Male (%)	Female (%)	Total (%)
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

Source: MSME Annual Report 2021-2022

The MSME sector is predominantly male-dominated, with 79.63% of enterprises owned by male entrepreneurs, while only 20.37% are owned by women entrepreneurs. Rural areas have higher numbers of women entrepreneurs than urban areas, indicating a gender imbalance in the sector.

Table 2: Percentage Distribution of Enterprises by Male/ Female Owners

Category	Male (%)	Female (%)	Total (%)
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 2021-2022

Male entrepreneurs typically own medium enterprises, while women prefer micro enterprises due to lower investment requirements. Micro enterprises often have insufficient capital, making women entrepreneurs more likely to start a micro enterprise.

Table 3: State wise distribution of female proprietary MSMEs in India

Sl. No.	Name of the state	Number of women Entrepreneurs	% of women entrepreneurs
1.	West Bengal	29,01,324	23.42
2.	Tamil Nadu	12,85,263	10.37
3.	Telangana	9,72,424	7.85
4.	Karnataka	9,36,905	7.56
5.	Uttar Pradesh	8,62,796	6.96
6.	Andhra Pradesh	8,38,033	6.76
7.	Gujarat	8,26,640	6.67
8.	Maharashtra	8,01,197	6.47
9.	Kerala	4,95,962	4
10.	Rajasthan	3,80,007	3.07

West Bengal dominates women-owned MSMEs with 23.42%, followed by Tamil Nadu (10.37%) and Telangana (10.37%). Uttar Pradesh follows with Telangana and Karnataka.

Analysis of data for Objective 2:

Table 4: Distribution of enterprises on the basis Generation into business

Generation	Frequency	Relative Frequency (%)
First Generation	66	94.29
Family Business	4	5.71
Total	70	100

Source: FLO Compendium of 100 Success Stories of women in MSME, Ministry of MSME, Government of India

Most women entrepreneurs are first-generation owners, starting their businesses for personal identity, family support, and social welfare. These entrepreneurs aim to create their own identity and contribute to the community.

Table 5: Distribution of units on the basis of Business segment

Business Segment	Frequency	Relative Frequency (%)
Manufacturing	30	42.86
Service	40	57.14
Total	70	100

Source: FLO Compendium of 100 Success Stories of women in MSME, Ministry of MSME, Government of India

Women entrepreneurs prefer the service sector over the manufacturing sector due to higher capital requirements and lower profits. This may be due to the higher success of male entrepreneurs in the service sector.

Table 6: Distribution of units on the basis of type of ownership

Type of ownership	Frequency	Relative Frequency (%)
Sole Proprietorship	23	32.86
Partnership	42	60
Pvt. Ltd. Company	5	7.14
Total	70	100

Source: FLO Compendium of 100 Success Stories of women in MSME, Ministry of MSME, Government of India

Most women entrepreneurs (60%) choose partnership businesses due to challenges in capital collection, management, and knowledge. Few start sole proprietorships or private limited companies. Women entrepreneurs often face inefficiencies and lack of knowledge, leading them to prefer partnership businesses for sharing responsibility.

Table 7: Distribution of units on the basis of registration

Registered	Frequency	Relative Frequency (%)
Yes	47	67
No	23	33
Total	70	100

Source: FLO Compendium of 100 Success Stories of women in MSME, Ministry of MSME, Government of India

67% of the MSME sample is registered, while 33% are unregistered. Unorganized sectors in MSME face challenges in registration and recognition. The introduction of GST has successfully converted many unorganized enterprises into organized ones.

Table 8: Distribution of units on the basis of number of years in Business

Years	Frequency	Relative Frequency (%)
Up to 10	35	50
11 – 20	21	30
Above 20	14	20
Total	70	100

Source: FLO Compendium of 100 Success Stories of women in MSME, Ministry of MSME, Government of India

Out of 70 women entrepreneurs, 35 have less than 10 years of business, 21 have more than 10 years but less

than 20 years, and the remaining 14 have over 20 years of business.

Table 9: Distribution of units on the basis of number of employees

Number of employees	Frequency	Relative Frequency (%)
Up to 50	41	59
51 – 100	9	13
Above 100	20	28
Total	70	100

Source: FLO Compendium of 100 Success Stories of women in MSME, Ministry of MSME, Government of India

MSME is crucial for employment generation, with 59% of entrepreneurs employing less than 50 employees, 13% employing 50+ employees, and 28% employing more than 100 employees in their businesses.

Table 10: Distribution of units on the basis of export

Export	Frequency	Relative Frequency (%)
Yes	30	43
No	40	57
Total	70	100

Source: Source: FLO Compendium of 100 Success Stories of women in MSME, Ministry of MSME, Government of India

The above table depicts 43% of the sample exports their products, while 57% are not involved in exports. They operate within a city or country.

Data Analysis for Objective 3

Support by Government

The Indian government supports women entrepreneurs by introducing schemes and training programs to enhance their knowledge of technology, managerial skills, and manufacturing capacity. One such program is the Prime Minister's Employment Generation Programme (PMEGP), which provides higher subsidies to women beneficiaries since 2008-09. Since then, 162383 projects have been assisted to women entrepreneurs.

Table 11: Women beneficiaries under PMEGP since inception (2008-09 to 2019-2020)

Year	Number of women beneficiaries
2008-2009	4930
2009-2010	10845
2010-2011	12134
2011-2012	14299
2012-2013	13612
2013-2014	13448
2014-2015	13394
2015-2016	11356
2016-2017	14768
2017-2018	15669
2018-2019	25399
2019-2020	12529
2020-2021	27285
2021-2022	20598
Total	210266

Source: MSME Annual Report 2021-2022

PMEGP, established in 2008-09, has supported numerous women entrepreneurs in MSME. Between 2008-09 and 2011-12, the number of beneficiaries increased steadily. Between 2012-13 and 2016-17, there was a continuous decline, but from 2016-17, there was steady growth, particularly in 2018-19, with a 62% increase.

Findings

Women entrepreneurs are predominantly concentrated in rural areas, with a preference for micro enterprises. West Bengal is the leading state in women entrepreneurs in MSMEs. Most are first-generation entrepreneurs, preferring the service sector. Partnership businesses are preferred over sole proprietorships or private limited companies. Women entrepreneurs generate employment and have registered their businesses. However, they are often not involved in export business due to restrictions and challenges.

Conclusion

The MSME sector transforms homemakers into entrepreneurs, creating employment opportunities and preventing crime against women. India has experienced steady growth in women entrepreneurship in MSMEs, with a strong desire for risk-taking and confidence in their capabilities. Government support and cooperation from society can help overcome challenges and increase growth rates in the future. With the right support and cooperation, the growth rate of women entrepreneurship in India can be significantly enhanced.

Expanding study scope

A further study can identify factors affecting women entrepreneurs' success in MSMEs and export capacity by collecting primary data on their success.

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