



Role Of Micro Small And Medium Enterprises (Msmes) In Women Empowerment

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Abstract: Through the centuries women have been among the most disadvantaged and oppressed sections of the society both in regard of access and control over resources. And though modernization has made some amends to the situation for literate urban women, the problem still continues to be grave for illiterate, semi literate and rural women. However, the government in order to alleviate this situation has launched certain schemes and plans. One of such successful contribution is the schemes relating to Micro Small and Medium Enterprises (MSMEs). There is growing evidence that MSMEs are playing a vital role in national economic development of the country. They are also helping in empowering women by encouraging women entrepreneurship.

Through this research paper the author aims to explore the role of MSMEs in women empowerment. This research paper will explore how women entrepreneurship has been promoted by government through its various schemes like Trade Related Entrepreneurship Assistance and Development (TREAD) Programme for women, National Awards for Entrepreneurial Development (Quality Products), Entrepreneurship development Programme (EDP) and others. The government has also shifted its focus towards the skill development and training of women entrepreneurs. This paper aims to explore various such schemes and programs. The paper throws light on the available schemes and subsidy of special benefits to women and also creates awareness of these schemes to women entrepreneurs.

Index Terms - Micro, Small and Medium Enterprises (MSMEs), Entrepreneurial development, Women entrepreneurs, Trade Related Entrepreneurship Assistance and Development (TREAD), Small Scale Industries (SSIs).

I. INTRODUCTION

Today, women entrepreneurs account for up to a third of all businesses operating in the formal economy worldwide. However, the majority of those in developing and transitioning economies are very small and micro enterprises, with little potential for growth. Apart from being under-represented in enterprises of all sizes, the bigger the firm the less likely it is to be headed by a woman.

Societal attitudes and norms inhibit some women from even considering starting a business, while systemic barriers mean that many women entrepreneurs stay confined to very small businesses often operating in the informal economy. This not only limits their ability to earn an income for themselves and their families but impedes them from realising their full potential to contribute to socio-economic development, job creation and environmental stewardship.

Further, investing in women is one of the most effective means of increasing equality and promoting inclusive and sustainable economic growth. Investments in women-specific programs can achieve significant ripple effects for development, since women generally spend more of their income on the health, education and well-being of their families and communities than men do. While targeted measures can bridge the gap for women, in parallel it is also essential to remove discriminatory aspects of economic and social policies, programs and practices that may impede women's full participation in the economy and society.

Women entrepreneurship development is an essential part of human resource development. The development of women entrepreneurship is very low in India, especially in rural areas. Entrepreneurship amongst women has been a recent concern. In this dynamic world, women entrepreneurs are an important part of the global quest for sustained economic development and social progress. In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of our plan priorities.

II. PROBLEMS FOR THE GROWTH OF WOMEN ENTREPRENEURSHIP IN INDIA

of five years. The time series monthly data is collected on stock prices for sample firms and relative macroeconomic variables for the period of 5 years. The data collection period is ranging from January 2010 to Dec 2014. Monthly prices of KSE -100 Index is taken from yahoo finance.

There are a number of problems regarding the growth of women entrepreneurship in India, which are given below:

1. Absence of Definite Agenda of Life

The educated women do not like the limitation of their life within the narrow boundary of the house. They want equal opportunity and respect from their partners as well as from the society. However, in India some women have reached good positions in the business world. Yet, most of the women are either illiterate or semi-literate in rural India.

2. Absence of Balance between Family and Career Obligations

Women in general are concerned about family duties. They show no equal concern for the duties in career. Women in India dedicate much their lives for the welfare and care of their family members. But they fail to use their talent to create extra income source for their families. It will also make them self-reliant. But women need the support of the family members to succeed in business and extend their business and management.

3. Poor Degree of Financial Freedom

There is very poor financial freedom for women in Indian families, especially in uneducated and rural families. Women in these families can't take any decision on their own to take up entrepreneurship without the family members' consideration. They have to consider also social ethics and traditions for women. A woman can't commence any business or any economic activity to become independent even if she is financially dependent. Thus the dependency has become a vicious one for women in India.

4. No Direct Ownership of the Property

There is no doubt that the right of property is given as a legal provision in India. But the right to property for women is still a question mark. A very few women have on paper the right of property, but they are actually not aware of this right. They become aware of it when there are problems in the family due to family disputes. Most of the women do not enjoy their right of property and they have been treated just as mere relatives to the family. It is a cause which keeps them in a 'pervasive cycle of poverty'.

5. Paradox of Entrepreneurial Skill and Finance

Women from both the economically poor and rich families suffer from the paradox of "have and have nots" skills of entrepreneurship. Women from economically rich families have the capital to invest, but they may

lack good entrepreneurial skills. On the other side, women from economically poor family have good entrepreneurial skills, but they haven't got any financial support from their family member or relatives. Thus the problems of women entrepreneurship are in a state of paradox.

6. No Awareness about Capacities

Awareness about individuals' capacity should be created through increasing the level of education. It is very unfortunate that the educational system in India is facing a failure in creating awareness of ability and capacity of women and their hidden talent and power for handling economic activities. There is an increase in the level of education for women and social awareness to the role that women play in society, but it applies only to women in urban India and not in rural India.

7. Low Ability to Bear Risk

Women lead a protected life in India. The women in India are taught naturally by several things to depend on the male members of her family from their girlhood period. They are prevented from taking any risk even if they are ready to take any risk and have the ability to bear it. But despite the restriction put on women, some women have proved that they have the capacity to face and bear risks in entrepreneurial activities.

8. Problems of Work with Male Workers

It is true that many women have skills for doing business, but they hesitate to work with male workers and sometimes male workers are not ready to work with women entrepreneurs. Most of women entrepreneurs are of the opinion that semi-educated or uneducated class of workers cannot visualize and accept a "female boss" in their work field.

9. Negligence by Financial Institutions

Banks and financial institutions play an important role of financiers to entrepreneurs in the developing countries for small and medium size firm operators do not borrow from the capital market. But, these banks and financial institutions under estimate the women entrepreneurs, are reluctant to provide credit to them because of their traditional mind set about women.

10. Lack of Self-confidence

Women have a strong mental outlook and an optimistic attitude which create fear in them of committing mistakes while working. Women's potential for entrepreneurial development cannot be accepted by the family members and the society, which always look down them. Women self-confidence to break such barriers, but women in India feel that they need a well secured life for developing their self-confidence. Thus they are not both mentally and economically self-reliant.

III. GROWTH OF WOMEN ENTREPRENEURS IN INDIA

Women entrepreneurs in India comprise a small proportion of the total entrepreneurs. The emergence of women entrepreneurs has been hampered by attitudinal constraints, social traditions and kinship system. Due to the lack of technical knowledge and little competition from men, Indian women have contributed for the most part to household industries. The spread of education and growing awareness among women have motivated women to enter the fields of engineering, electronics, energy and such other industries.

In spite of the small number of such units, women start units for manufacturing solar cookers, TV, capacitors, electronic ancillaries, and small foundries. The growth of women entrepreneurs in the country has been accelerated by several government agencies and voluntary organization like Mahilamandals and so on. Indian women have become more career-minded, economically independent and more achievement-oriented. They would like to widen their scope of work and taste the fruit of achievement. According to Report of MSMEs, 12th Five year plan 2012-2017 it is disclosed that Tamil Nadu stands first out of the total number of units registered in India. Regarding the number of women entrepreneurs in India, the first place goes to Uttar Pradesh followed by Tamil Nadu which holds the second place.

IV. NATIONAL SCHEMES TO CONTRIBUTE TO WOMEN ENTREPRENEURSHIP THROUGH MSMEs

1. TREAD Scheme

"Women have been among the most disadvantaged and oppressed section of our country with regard to access to and control over resources. Problems faced by them continue to be grave particularly for illiterate & semi literate women of rural and urban areas In order to alleviate their problems, Govt. of India launched a scheme entitled " Trade Related Entrepreneurship Assistance and Development" (TREAD) during the 9th plan period which has slightly been modified and is now put in operation. The scheme envisages economic empowerment of such women through trade related training, information and counseling extension activities related to trades, products, services etc."

Salient Features of the Revised Tread Scheme for Empowerment of Women

1. Credit – Government Grant up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women, who have no easy access to credit from banks due to their cumbersome procedures and the inability of poor & usually illiterate/semi-literate women to provide adequate security demanded by banks in the form of collaterals.
2. Training & Counseling – Training organizations viz. Micro, Small and Medium Enterprises (MSMEs), Entrepreneurship Development Institutes (EDIs), NISIET and the NGOs conducting training programmes for empowerment of women beneficiaries identified under the scheme would be provided a grant upto maximum limit of Rs. 1.00 lakh per programme provided such institutions also bring their share to the extent of minimum 25% (10% in case of NER) of the Government grant.
3. Eliciting Information on Related Needs – Institutions such as Entrepreneurship Development Institutes (EDIs) sponsored by State Govt. and any other suitable institution of repute will be provided need based Government grant primarily for undertaking activities aiming at empowerment of women such as field surveys, research studies, evaluation studies, designing of training modules, etc. covered under the scheme. “The scheme envisages economic empowerment of women through trade related training, information and counseling activities related to trades, products, services, etc.”

2. National Awards for Entrepreneurial Development

The Micro, Small & Medium Enterprises (MSMEs) in India have seen a vast development in the last five decades. The MSMEs have registered tremendous growth as also progress in terms of quality production, exports, innovation, product development and import substitution, very much beyond the expected objectives of setting up MSMEs by the planners of industrial production base in the country. Entrepreneurial efforts have made it possible to produce number of items, which hitherto were imported. In quite a few cases new variants so produced are having additional attributes than their original versions and are capable of solving a multitude of user problems. This all has become possible owing to the ambitions and visionary spirit of entrepreneurs of MSMEs. The ministry of Micro, Small and Medium Enterprises with a view to recognizing the efforts and contribution of MSMEs gives National Award annually to selected entrepreneurs and enterprises under the scheme of National Award.

Periodicity & Eligibility

The Awards are be given for every calendar year to deserving entrepreneurs of Micro, Small and Medium Enterprises having permanent registration/have filed Entrepreneurs Memorandum with the authorities notified by respective State Governments/UT Administration in accordance with the provisions contained in the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, which came into force on 2 October 2006. The MSMEs should have been in continuous production/service for last four years. These premier awards seek to recognize and honor entrepreneurs and entrepreneurship ecosystem builders for their outstanding efforts.

3. Entrepreneurship Development Programme

There is an urgent need for all the training and research organizations to shatter the jacket of rigidity and come out openly to share their experiences and learnings with their social and economic colleagues so that there could be synergetic learnings which would result in better methods and procedures in entrepreneurial training. Such an exchange of information would again result in a healthy competition among the training institutes. EDP may be defined as “a programme designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. It is necessary to promote this understanding of motives and their impact on entrepreneurial values and behavior for this purpose. Following are critical constraints which prevent potential entrepreneur whether men or women from becoming actual entrepreneurs.

1. Lack of confidence and motivation
2. Lack of knowledge about business opportunities
3. Lack of information regarding how to formulate a business plan including marketing survey.
4. Lack of information about procedure and sources of various types of assistance including finance, and
5. Lack of knowledge about how to manage one's own enterprise successfully.

4. Annapurna Scheme

This scheme is offered by the State Bank of Mysore for those women entrepreneurs who are setting up food catering industry in order to sell packed meals, snacks, etc. The amount granted as a loan under this scheme can be used to fulfill the working capital needs of the business like buying utensils and other kitchen tools and equipment. Under this loan, a guarantor is required along with the assets of the business being pledged as collateral security.

5. Stree Shakti Package For Women Entrepreneurs

This scheme is offered by most of the SBI branches to women who have 50% share in the ownership of a firm or business and have taken part in the state agencies run Entrepreneurship Development Programmes (EDP). The scheme also offers a discounted rate of interest by 0.50% in case the amount of loan is more than Rs. 2 lakhs.

6. Bharatiya Mahila Bank Business Loan

This loan is a support system for budding women entrepreneurs looking to start new ventures in the fields of the retail sector, loan against property, MICRO loans, and SME loans. The maximum loan amount under this loan goes up to Rs. 20 crores in case of manufacturing industries and also a concession is available to the extent of 0.25% on the interest rate and interest rates usually range from 10.15% and higher.

7. Dena Shakti Scheme

This scheme is provided by Dena bank to those women entrepreneurs in the fields of agriculture, manufacturing, micro-credit, retail stores, or small enterprises; who are in need of financial assistance. The interest rate is also decreased by 0.25% along with the maximum loan amount being Rs. 20 lakhs for retail trade; education and housing whereas Rs. 50,000 under the microcredit.

8. Udyogini Scheme

This scheme is offered by Punjab and Sind Bank so as to provide women entrepreneurs involved in Agriculture, retail and small business enterprises to get loans for business at flexible terms and concessional interest rates. The maximum amount of loan under this scheme for women between the age bracket of 18-45 years is Rs. 1 lakh but your family income is also taken into consideration and is set at Rs. 45,000 per annum for SC/ST women.

9. Cent Kalyani Scheme

This scheme is offered by the Central Bank of India with the aim of supporting women in starting a new venture or expanding or modifying an existing enterprise. This loan can be availed by women who are involved in village and cottage industries, micro, small and medium enterprises, self-employed women, agriculture and allied activities, retail trade, and government-sponsored programs. This scheme requires no collateral security or guarantor and charges no processing fees. And the maximum amount that can be granted under the scheme is Rs. 100 lakhs.

10. Mahila Udyam Nidhi Scheme

This scheme is launched by Punjab National Bank and aims at supporting the women entrepreneurs involved in the small scale industries by granting them soft loans that can be repaid over a period of 10 years. Under this scheme there are different plans for beauty parlors, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. the maximum amount granted under this scheme is Rs. 10 lakhs and the interest depends upon the market rates.

11. Mudra Yojana Scheme For Women

This scheme has been launched by the Govt. of India for individual women wanting to start small new enterprises and businesses like beauty parlors, tailoring units, tuition centres, etc. as well as a group of women wanting to start a venture together. The loan doesn't require any collateral security and can be availed as per 3 schemes. If the loan is granted, a Mudra card will be given to you which functions the same way as a credit card however the funds available are limited to 10% of the loan amount granted to you.

12. Orient Mahila Vikas Yojana Scheme

This scheme is provided by Oriental Bank of Commerce to those women who hold a 51% share capital individually or jointly in a proprietary concern. No collateral security is required for loans of Rs. 10 lakhs up to Rs. 25 lakhs in case of small-scale industries and the period of repayment is 7 years. A concession on the interest rate of up to 2% is given.

V. VARIOUS STATE GOVERNMENT'S CONTRIBUTION

Several state governments in India like, Andhra Pradesh, Kerala, Rajasthan, Gujarat, Chandigarh, and Tamil Nadu have taken steps to promote women entrepreneurs. Women co-operative finance corporation for the development of women entrepreneurs was set up by Andhra Pradesh government in 1975. A package of incentives to be availed by women entrepreneurs is offered by the Government of Haryana. Exemptions from payment of stamp duty and of registration of electricity duty up to a certain period have also been offered along with them.

It is formed in Gujarat under the leadership of the noted social workers and in Ahmedabad, with the membership of milk mards, vegetable vendors, casual workers and the like. Kerala State becomes a model for the development of women entrepreneurs in India. The number of Industrial units runs by women entrepreneurs in Kerala in 1975-76 was 73. It increased to 4, 190 industrial Units in 1993-94.

In the State of Madhya Pradesh (M.P) major entrepreneurship activities are Co-ordinate through Centre for Development of Entrepreneurship in Madhya Pradesh (CRDMAP). The centre organizes special training programmes women for short and long durations.

VI. CONCLUSION

Women entrepreneurs are significant as a human resource for the development of economy of a state and nation and the creation of employments for themselves and others. It has been shown through the entry of women in all sorts of business. Now, they are not only the businesses prescribed for women but also the ones men do. It has also been displayed that women entrepreneur as women are still facing many problems, which are obstacles in their path to do business well and come out ultimately successful and which have recently attracted the attention of the universal bodies. The role of tradition and such other things in the prevention of the emergence women entrepreneurs in large number in India is immense. Various problems like the absence of definite agenda of life and balance between family and career obligation, poor degree of financial freedom no awareness of capacity, low ability to bear risk and so on have been analyzed. Thus, there are many assistance and incentives provided by Government through various institutions, which motivate potential entrepreneurs, as well as existing entrepreneurs to start and run their businesses successfully.

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