



# A BRIEF STUDY ON WOMEN ENTREPRENEURSHIP IN MSMEs IN INDIA

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## Abstract:

Women entrepreneurship can be defined as those women who start, manage, organize and carry on a business enterprise. Previously women entrepreneurship was not given much importance in our society. With the span of time many women came out of the four walls and took part in entrepreneurship still there is a significantly high percentage of women entrepreneurs who want to establish themselves as entrepreneurs but are struggling to overcome their societal, economic and political barriers. The Micro, Small and Medium Enterprises (MSMEs) has been successfully promoting industrial development of any country. In India the role of MSMEs are very significant as it contributes nearly 6% to the country's GDP, 33% to manufacturing and 45% to exports. Increasing women's participation in MSMEs is considered to be one of the development goals and it targets to reduce poverty, improve family health and empower women's economic status. MSME provides employment to a large number of people. It has been considered as a labour intensive sector as well as it is quite successful in generating entrepreneurship. This sector needs a very minimum amount of capital and utilise local resources for achieving its objectives. Due to all these advantages women from all background can come forward and fulfil their dream of entrepreneurship. This paper aims to study the percentage distribution of MSMEs run by women entrepreneurs, to have an overview of seventy selected units run by successful women entrepreneurs and the various motivating and challenging factors for women entrepreneurs.

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

## Introduction:

- **Women Entrepreneurship-**

Women entrepreneurship can be defined as the women or group of women who initiate, organize and control the operation of a business enterprise. It has been defined by Government of India based on their participation in equities. Women entrepreneurship is something which has been not given the required importance or support in our society. In India the entrepreneurial capability of women has always been undervalued. Over the years many women successfully participated in entrepreneurship but this number is quite low. A large number of women who are potential entrepreneurs are still struggling to overcome their societal, economic and political barriers.

- **Micro, Small and Medium Enterprises (MSMEs)-**

MSMEs have a major impact towards achieving economic growth and in promoting equitable development. MSMEs help in providing employment to a large number of people. MSMEs are subdivided into Manufacturing enterprise and Service enterprise. Depending on the amount of investment MSMEs are divided into three categories- Micro, Small and Medium.

After agriculture this sector is playing a major role in generating employment in rural as well as in urban areas. The most important features of this sector is their low requirement of capital, use of local resources and to meet the demand of local people. No economy in the world can hope to survive without a robust MSME ecosystem.

## 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.

Lall M. and Yadav S. (2019) in their paper “Empowering women entrepreneurs in MSMEs in rural India- An exploratory research” examined various opportunities and challenges for women entrepreneurship development in MSME. They used an exploratory research design to understand the motives behind starting a business, to identify the key enabling and disabling factors faced by them and awareness about different government initiatives among them.

Ilahi S. (2018) in his paper ‘An overview of female entrepreneurs in Indian MSME sector’ focused on the status of female entrepreneurs from the findings of NSSO. He opined that it is necessary to bring changes in attitude and mindset of people otherwise whatever policy or schemes are introduced by Government, it will not be successful.

Danabakyam M. and Kurian S. (2012) in their paper “Women Entrepreneurship in MSME in Chennai city” has studied the industrial profile of some selected units run by women entrepreneurs and studied whether any major relationship between industry related factors and success level of women entrepreneurs are present or not.

## Objectives:

1. To get an overview about the percentage distribution of enterprises run by women entrepreneurs in India.
2. To review the industrial profile of few selected units run by women entrepreneurs.
3. To look at different initiatives taken by Government to motivate them.

**Methodology:**

- Secondary data collected from various Annual reports, FLO Compendium published by Ministry of MSME, journals and published articles has been used to satisfy the 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 2019-2020

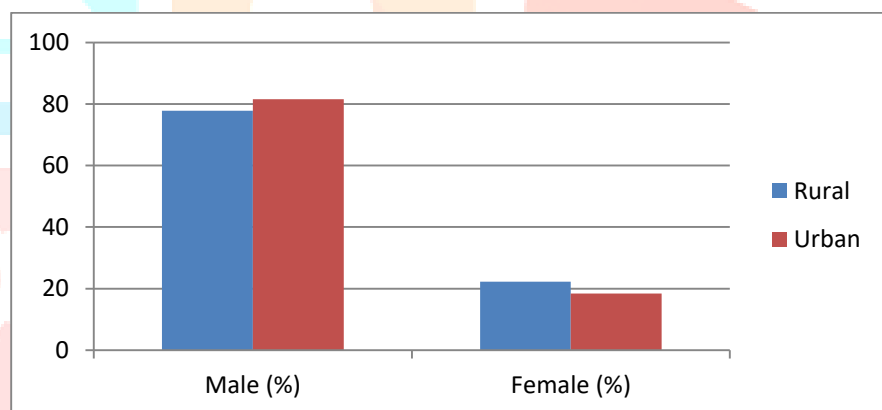


Figure 1

From the above data it is clear that MSME sector is a male dominated sector as 79.63% of the total enterprises are owned by male entrepreneurs whereas only 20.37% of the enterprises are owned by women entrepreneurs. Another observation regarding this data is that in rural areas the numbers of women entrepreneurs are high in comparison to urban areas while the case is just opposite for male entrepreneurs.

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 2019-2020

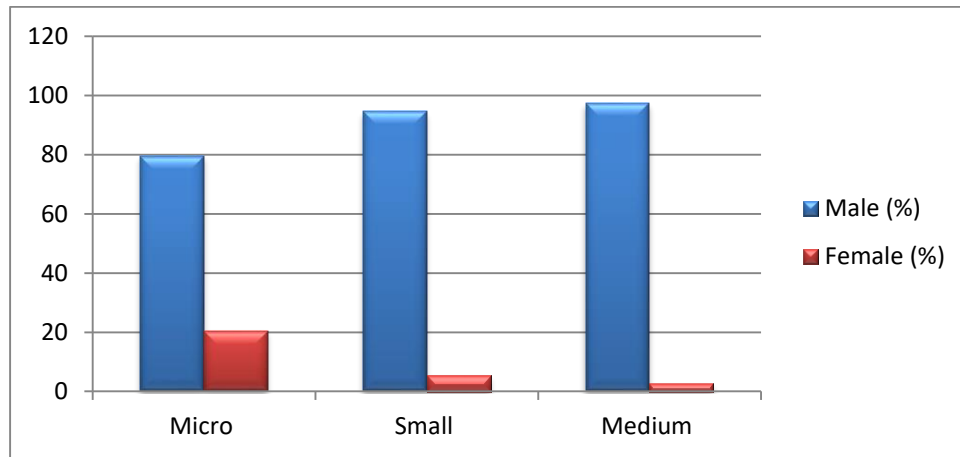


Figure 2

Most of the male entrepreneurs are owners of medium enterprises while women entrepreneurs prefer micro enterprises. The reason behind this may be the amount of required investment. As in micro enterprises the amount of investment is comparatively lower than medium or small enterprises so due to insufficient capital women entrepreneurs in most of the cases 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

Source: MSME Annual Report 2019-2020

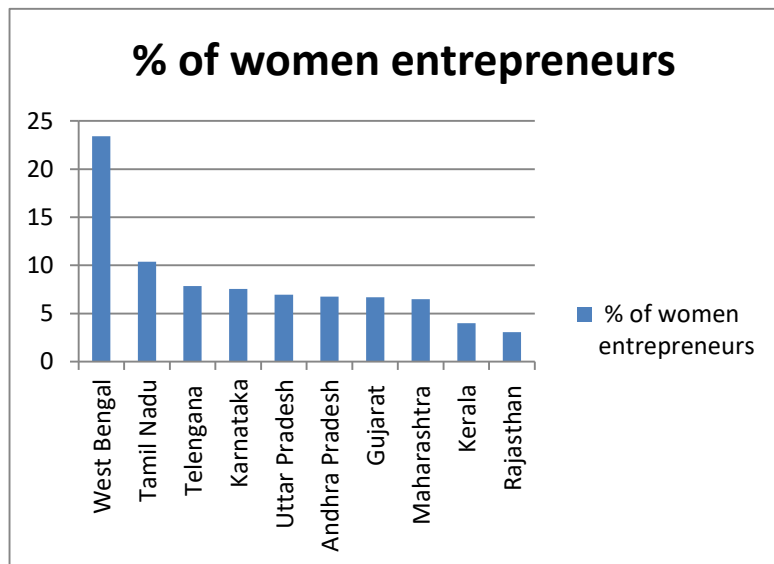


Figure: 3

From the above graph it can be seen that West Bengal is holding the top position in terms of women owners with 23.42% of the total female owned MSMEs. The second highest state of women owned MSME is Tamil Nadu and it contributes 10.37% of the total number followed by Telengana, Karnataka, Uttar Pradesh and so on.

**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

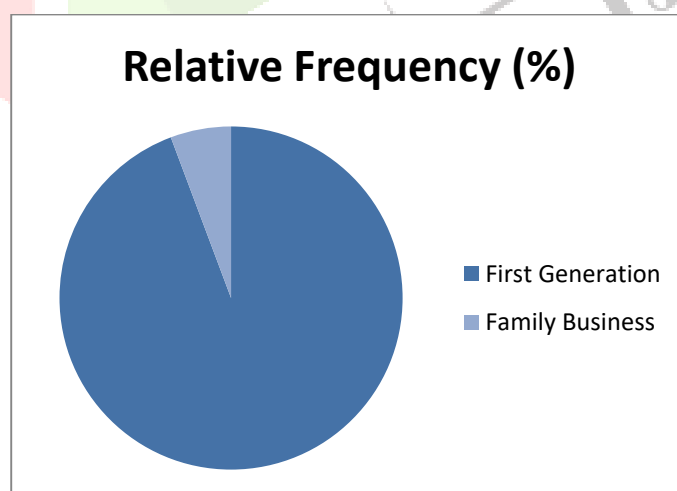


Figure 4

From the above data it can be said that most of the women entrepreneurs are first generation owners who are initiating this business on their own. The different reasons behind starting a business are to create their own identity, to support their family, for social welfare, etc.

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

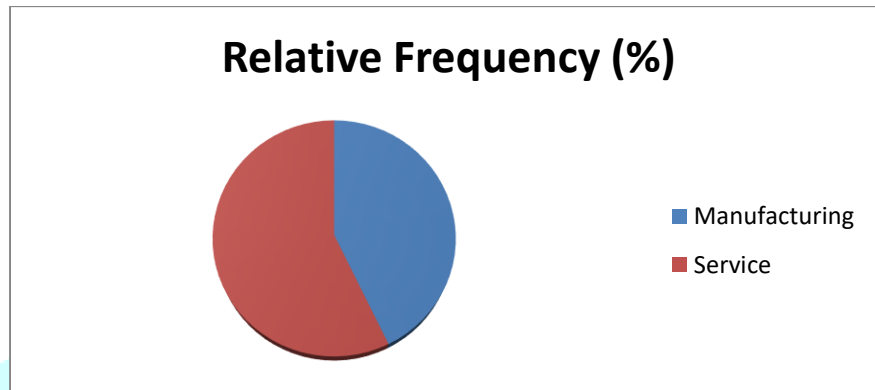


Figure 5

The next observation about the collected sample is that women entrepreneurs prefer service sector rather than manufacturing sector. As in manufacturing sector the amount of required capital is higher than service sector, women entrepreneurs prefer to start business in service sector. But from service sector the profit is also lower than the profit in manufacturing sector. This can be a reason behind the more success of male entrepreneurs.

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

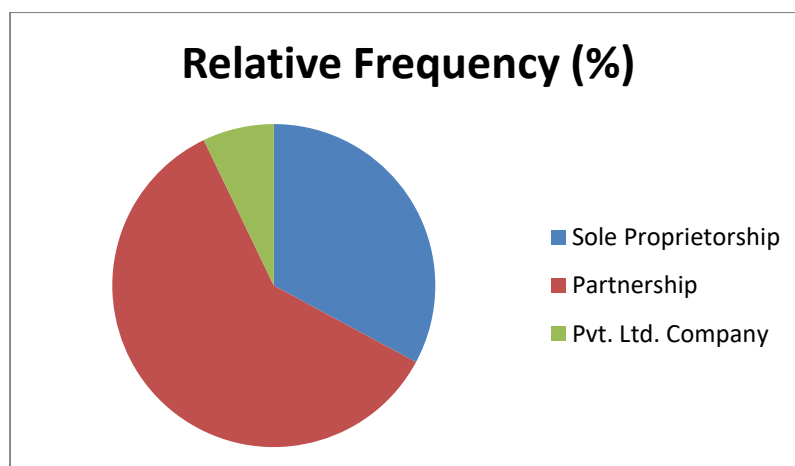


Figure 6

It has been observed that most of the women entrepreneurs (60%) have entered into partnership business. Few of them have started sole proprietorship business by taking the entire responsibility and a very small number of women entrepreneurs have started private limited company. Women entrepreneurs often face problem in collection of capital, inefficiency in management of business, lack of knowledge, etc. and may be due to these problems they prefer partnership business in order to share all the 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

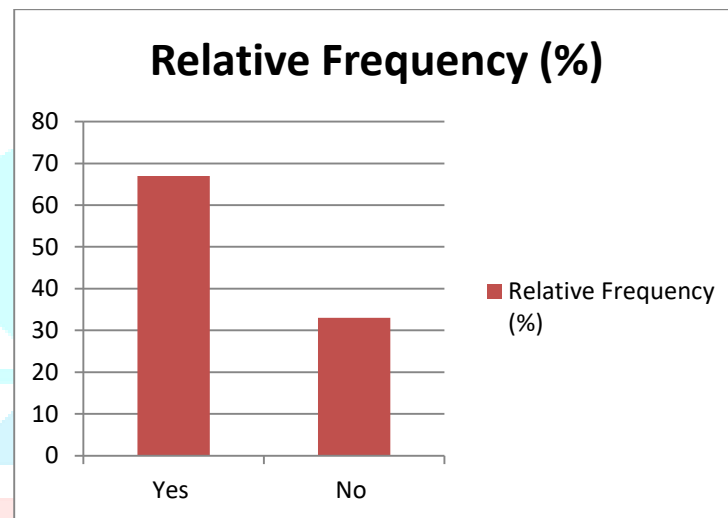


Figure 7

It has been found that 67% of the sample is registered under MSME and 33% are unregistered. In MSME there is a large portion of unorganised sector who are performing without any registration or proper recognition. It was a bit difficult for the Government to locate these unorganised enterprises. With the introduction of GST, Government has successfully converted many unorganised enterprises into organised one.

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

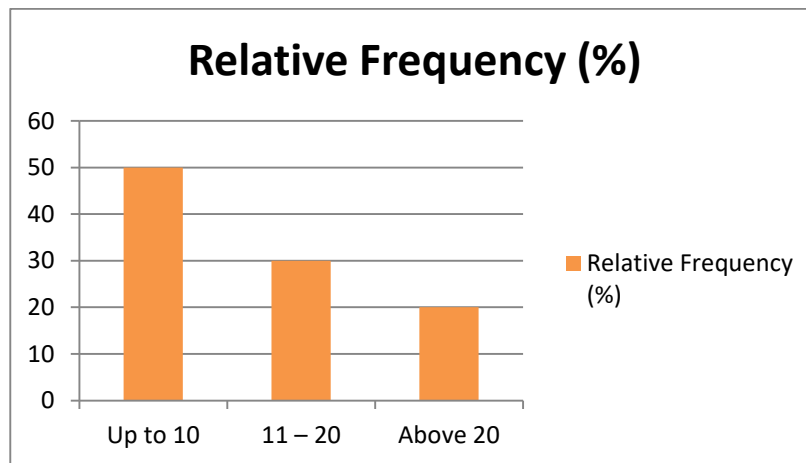


Figure 8

Interpretation: Out of the sample of 70 women entrepreneurs, it has been found that 35 of them are doing business for less than 10 years, 21 of these entrepreneurs are carrying on their business for more than 10 years but less than 20years and the remaining 14 women entrepreneurs are conducting their business for more than 20 years.

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

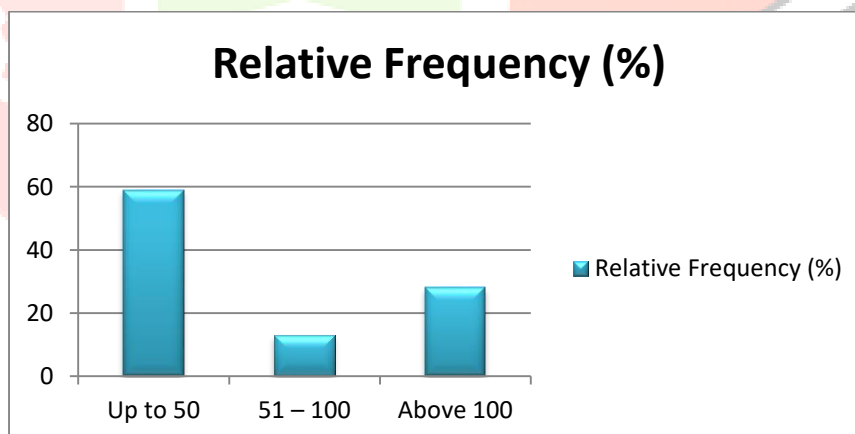


Figure 9

Interpretation: As we know that MSME is a very important sector from the viewpoint of generating employment. 59% of the sample has employed less than 50 employees, 13% of the entrepreneurs have employed more than 50 and up to 100 employees and the remaining 28% of them has employed more than 100 employees in their business.



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

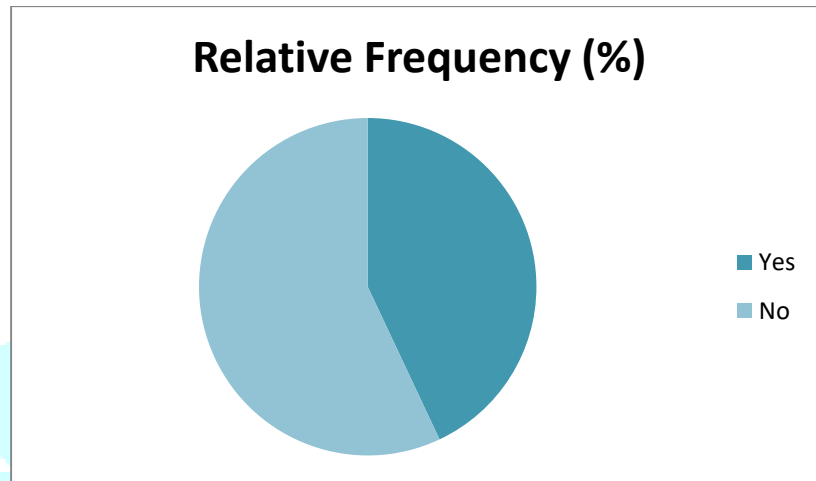


Figure 10

Interpretation: It has been found that 43% of the sample successfully exports their products while 57% of them are not involved in export. They are carrying on their business either within a particular city or within their country.

### **Data Analysis for Objective 3:**

#### **Support by Government:**

Indian Government has always extended support towards women entrepreneurs to prove their capability outside the four walls of their home by introducing various schemes or by arranging training programmes to give them better knowledge about modern technology, to improve their managerial skill or to improve their manufacturing capacity. One of the most important and successful programme introduced by Government is Prime Minister's Employment Generation Programme (PMEGP). Under this scheme woman beneficiaries get a higher subsidy. Since its introduction in 2008-09, 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 (up to 31/12/2019)	12529
Total	162383

Source: MSME Annual Report 2019-2020

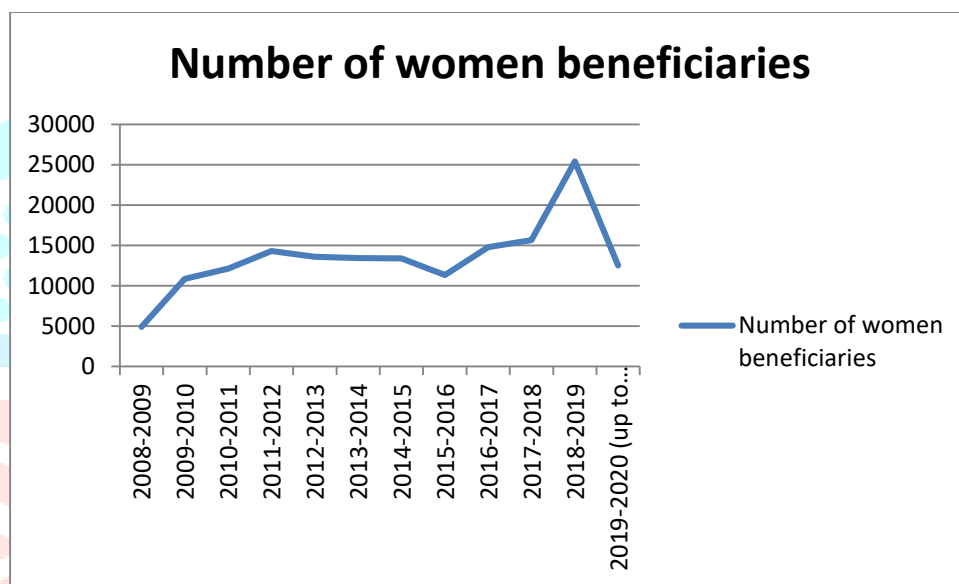


Figure 11

Interpretation: Starting from its origin in 2008-09, PMEGP has successfully supported many women entrepreneurs in MSME. From 2008-09 to 2011-12 there is a constant increase in the number of beneficiaries. Due to some reason there was a continuous fall in the number of beneficiaries during the period 2012-13 to 2016-17. After that from 2016-17 again there is a steady growth in terms of the number of women beneficiaries especially in 2018-19 the number of beneficiaries increased by almost 62%.

### Findings:

- i. The numbers of women entrepreneurs are high in rural areas in comparison to urban areas.
- ii. Most of the women entrepreneurs prefer to start a micro enterprise.
- iii. West Bengal is the leading state in terms of the number of women entrepreneurs in MSMEs.
- iv. Most of the women entrepreneurs are first generation entrepreneurs. They have started business on their own.
- v. Service sector is preferred more by women entrepreneurs.
- vi. They usually prefer partnership business over sole proprietorship or private limited company.
- vii. They are successful in generating employment.
- viii. Most of them have registered their business.

- ix. Most of the women entrepreneurs are not involved in export business due to certain restrictions and challenges.

### **Conclusion:**

MSME sector is considered to be such a platform which transforms homemakers into entrepreneurs. Women entrepreneurship will not only make the woman independent but also will create employment opportunities and can stop the crime against them. Women, nowadays, are ready to take risk, they have faith on their capacity, have trust on their goals and are not ready to settle for any less. India has shown a steady growth in women entrepreneurship in MSMEs till now and we hope that if Government supports them and the society extends their cooperation towards them then the challenges they are facing now can be removed and the growth rate can surely be increased in future.

### **Further scope of study:**

A further study can be made by collecting primary data to identify the factors behind success of women entrepreneurs in MSMEs or to identify the various factors enabling export capacity of units run by women entrepreneurs.

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### **Report:**

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