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## A STUDY ON GROWTH OF WOMEN ENTREPRENEURSHIP IN MSME

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### Abstract

*Women entrepreneurship is gaining momentum and has become a pressing need of the day in a developing country like India. Women entrepreneurship in Tamil Nadu. The government of India has defined women entrepreneurship based on women participation in equity and employed of a business enterprise. The development of women entrepreneurship has become an important aspect of our plan priorities. MSME is not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, reducing regional imbalances, assuring more equitable distribution of national income and wealth. The researcher has been undertaken this topic to know the growth and performance of women entrepreneur, and to investigate the relationship between industries related factors and success of women entrepreneurs.*

**Keywords:** *Women entrepreneurship, MSME, economic growth, innovation , technological progress, low-cost products, incubation facility.*

### I. Introduction

Ministry of Micro, Small & Medium Enterprises, popularly known as the engine of growth in the country and incubators of entrepreneurship has emerged as the torchbearers of women empowerment on a global platform. Last year, on the eve of International Women's day 2018, Ministry of MSME launched UdyamSakhi, a network for nurturing social entrepreneurship creating business models revolving around low-cost products and services to resolve social inequities. MSE sector is described as the natural home of entrepreneurship since it provides an ideal environment that enable

entrepreneurs to exercise their talents to fill and attain their goals. This paper made an attempt to discuss an overview of women entrepreneurship in general with respect to MSME.

#### **Women Entrepreneur**

The Micro, Small and Medium Enterprises (MSME) sector plays a pivotal role in economy of every country. It provides employment opportunities at a lower capital cost than large industries. MSME represents the economy of rural and backward classes and when these sectors are developed, a country's economy develops automatically with a

higher Gross Domestic Product (GDP). Women play key role in the development of MSME, women entrepreneurs are mostly the owners of micro, small and medium enterprises. Hence the growth of MSME also indicates the success of women entrepreneurs. The Fourth Census 2006-07 reveals that there have been some structural changes in registered MSME sector. The proportion of working units has gone up by 9% and closure has gone down by 17.17%. Manufacturing enterprises have gone up from 63.45% to 67.10%. No of enterprises engaged in retail trade have increased. Units of employment have also increased subsequently from the Third Census held in 2001-02. Many of the enterprises have registered themselves under the Factory Act and there has been enhancement in investment limit of registered enterprises.

#### **History perspective**

Women empowerment in ancient India transports to a terrain of mixed views. In ancient India, women enjoyed equal status with men and were trained in the art of warfare by choice. The story of Rani AbbakkaChowta is a classic example of women empowerment in the country. Women empowerment in India gathered much momentum after January 26, 1950, following adoption of the Constitution of India that carries several clauses and sections that eliminate ambiguity over status of women. When Oxford Dictionaries declared “Nari Shakti” as Hindi word of the year 2018. Evidently, we can estimate the influence women are having on the world during all these years.

#### **Women- Harbingers of Change**

Gone are the days when women would end up their entire life within the 4 walls of the house. Like the male counterparts, women nowadays are writing fresh stories of unprecedented success, with their wit and hard work. More and more women are expanding their entrepreneurial horizons and venturing into an unprecedented range of business areas. The greater choices now available to women in the fields of

employment has been the major driving force for their upheaval as bureaucrats, professionals and executives. They have now begun to enter the fiercely competitive world of business - and economic independence. The fact that such a large percentage of them had entered the non-traditional areas attests to female entrepreneurship being a fairly recent phenomenon boosted by programmes and schemes of Indian Govt aimed at reinstating women empowerment in the long run. The Traditional female skills are being turned into a livelihood, by starting a home based business encompassing textiles, catering, embroideries, boutiques, crafts and many more. Look at the world around you that women are empowered is evidence by their prevailing presence in courts and public offices, corporate houses and parliament, and what not Name entrepreneurs and writers, scientists, and social activists, actors and directors; they are everywhere

#### **Thinking Ahead- connecting Skill to Industry**

Ministry of MSME, which recently held its first Conclave on Empowering Women Entrepreneurs of marginalised Sections’ received colossal applications – has emerged as the premier institution responding to the phenomenon of female entrepreneurship. Aimed at awakening the country to issues of hidden disparities and discuss a range subjects to highlight the evolving role of women entrepreneurship in India, the conclave witnessed multiple sessions wherein influencers from various walks of life came together to discuss and deliberate on key issues. The conclave turned out to be huge hit amongst SC/ST women entrepreneurs. With the gradual shift of mind-set amongst the stakeholders in MSME, Ministry awarded path breaking women entrepreneurs and outstanding women achievers in varied fields on the occasion of Int’l Women’s Day 2019. The move intends to celebrate women who are breaking the regressive restraints that society and circumstance have placed on

them, and are choosing to be financially independent, while continuing in their traditional roles as primary caregivers.

### **MSME- Transforming Homemaker to Entrepreneur**

Women are the pillars of society and when women are empowered, the whole world is empowered. Ministry of Micro, Small and Medium Enterprises (MSME) is empowering women entrepreneurs through its different schemes helping women spark their talent and build their own identity. 1.38 lakh projects have been set up by the women entrepreneurs under Prime Minister's Employment Generation Programme (PMEGP) Scheme since inception and upto 23.01.2019. The projects set up by women entrepreneurs are about 30% of total projects set up under PMEGP. Under the scheme, women entrepreneurs are covered under Special Category and are entitled to 25% and 35% subsidies for the project set up in urban and rural areas respectively. For women beneficiaries, own contribution is only 5% of the project cost while for general category it is 10%. during 2016-17 and 2017-18, under the Khadi Programme of KVIC, women entrepreneurs have set up 30437 projects for which margin money of 85,305 lakh Rupees have been disbursed.

### **Literature Review**

**Ashu Katyal & Betsy Xaviour (2015). Revealed that the MSME sector in India is highly heterogeneous in terms of the size of the enterprises, variety of products and services, and levels of technology. It helps in industrialization of rural and backward areas, reducing regional imbalances and assuring more equitable distribution of national income and wealth. MSME complement large industries as ancillary units and contribute enormously to the socioeconomic development of the country. MSME internal operation is still far behind from the other developed industries.**

**Edinam DopeSetsoafia, Joshua Aboah&Danso- Abbeam Gideon**

**(2015). Concluded that the growth potential and performance of agro MSEs were associated with identified constraints. The paper uses regression models whilst control for owner/ managers attributes and firms characteristics. It was revealed empirically that some constraints (i.e. high cost of production, insufficient government support) does hinder the performance agro MSEs whilst others (i.e. insufficient government support, high depreciation rate, lack of collateral) impede the growth potential of these enterprises.**

**Ndeye Ndiaye, Lutfi Abdul Razak, Ruslan Nagayev & Adam Ng ,(2018). Argue that the paper models five performance indicators based on 80 potential factors derived from firm characteristics, finance, informality, infrastructure, innovation, technology, regulation, taxes, trade and workforce concerning small and medium enterprises (SMEs). We find that the factors vary regarding statistical significance and magnitude between small and medium enterprises.**

**Berhanu Tereda Mengesha, (2018). Find out the identifying the major problems that are associated with the growth and success of MSEs specially focuses on trade, services, manufacturing, construction and urban agriculture sectors in Gurage zone three selected Woreda such as Cheha, Abeshge and Enmore ena Eaner. In the study, both qualitative and quantitative research methods were used in order to achieve the objective of the study. On the basis of the findings, unfulfilment of infrastructural facilities, shortage of working premises and shortage of finances for start-up and expansion purposes are the top most factors that affect the growth of MSEs activities at the study area..**

**Paramasivan C and Subathra S (2016) Women entrepreneurship has been developed all over the state because the efforts taken by various institutions and schemes of state and central government.**

Ministry of MSME has provided subsidy to entrepreneurs for promotion of entrepreneurship. It has been granted special benefits to women entrepreneurs for their upliftment, it increases the women enterprises. Entrepreneurship Awareness Camps in specialized institutions, Entrepreneurship Development Training Programs, Technology-based Entrepreneurship Development Programs, and WEDP, EDSP especially for women are increased the rate of women entrepreneurship in India year by year. To encourage women entrepreneurs, Women Industrial Parks have been developed by SIDCO. TNCDW has encouraged SHG through MahalirThittam for socio-economic development of women. DICs have also supported and assisted the entrepreneurs through various schemes of state and central government. Now-a-days these institutions helped to develop women entrepreneurship in our country.

#### **Women Entrepreneur Success in Tamil Nadu:**

Women Entrepreneurs in India with reference to selective cities in Tamil Nadu. The role of women entrepreneurs has gained significance in today's environment. The women entrepreneurs in and around Tamil Nadu. Women, who succeed as entrepreneurs, are risk taking personalities. The women entrepreneurs have their own identity in the world of entrepreneurship. Most of them are capable of fully identifying themselves in their new economic role in society. The study has highlighted many factors that have motivated women entrepreneurs in starting an entrepreneurial career. Success has been seen mostly among the mid thirty and early forty age group. The government schemes, incentives and subsidies have stimulated and provided support measures to women entrepreneurs in and around the Tamil Nadu. In this research, one of the findings was that while a majority of women came from a family business, as a core background, and they were mostly married into business families. The

business environment seems to have prepared them mentally, thereby facilitating their entry into business. Help and guidance was also available within the family in case of any business problems.

#### **Women Entrepreneur and Self Confidence**

The internal factors including self-confidence, risk taking, and need for achievement, and external factors including economic and socio-cultural factors have a positive and significant impact on women entrepreneurs' success in Tamil Nadu. So, our findings support the previous studies results in both developed and developing economies. Suggested that women entrepreneurs internal behavior self-confidence and motivational force enhance the competitive advantage; these capabilities help them to become a successful women entrepreneur. Suggested that external factors also influence women entrepreneurs' success. suggested that these factors cannot significantly enhance women entrepreneurs' success.

#### **Some Interesting Statistics on Women Entrepreneurs in India**

1. About 58% of the female entrepreneurs were in the age range of 20-30 when they started out.
2. Nearly 73% of them report a revenue of approximately Rs 10 lakhs in a financial year.
3. Almost 57% of these women started out solo, i.e., without any other member.
4. About 35% of the women had a co-founder.
5. Roughly 71% of the Indian female entrepreneurs employ five people or less.

#### **Market Size**

India has approximately 6.3 crore MSMEs. The number of registered MSMEs grew 18.5% Y-o-Y to reach 25.13 lakh (2.5 million) units in 2020 from 21.21 lakh (2.1 million) units in 2019. The Indian MSMEs sector contributes about

29% towards the GDP through its national and international trade.

MSMEs are being encouraged to market their products on the e-commerce site, especially through Government e-Marketplace (GeM), owned and run by the government, wherefrom Ministries and PSUs (public sector undertakings) source their procurement. The platform has recorded transactions worth Rs. 55,048 crore (US\$ 7.5 billion) until September 2020.

Domestic business requires a strong financial stimulus with concessional working capital loans to ensure adequate liquidity is maintained in business operations from the government and financial institutes.

#### Government Policies

The Government of India has designed various policies for the growth of MSMEs in the country.

- Budget allocation for MSMEs in FY22 more than doubled to Rs. 15,700 crore (US\$ 2.14 billion) vis-à-vis Rs. 7,572 crore (US\$ 1.03 billion) in FY21.
- The government also announced Rs. 3 lakh crore (US\$ 40.85 billion) collateral-free automatic loans for businesses.
- In Union Budget 2021, the government announced funds worth Rs. 10,000 crore (US\$ 1.36 billion) for 'Guarantee Emergency Credit Line' (GECL) facility to eligible MSME borrowers, giving a major boost to the sector.

#### Share of women-owned MSMEs in India FY 2021

Women entrepreneur owned a little over 20 percent of all micro, small and medium businesses across India compared to nearly 80 percent among men in financial year 2021. India has a total of 58.5 million entrepreneurs and 8.05 million of those are women entrepreneurs, which adds up to only 14% women entrepreneurs in Indian business settings. Furthermore, women had the

highest share of micro businesses within business sizes, with more enterprises in rural areas than urban parts of the country during the measured time period.

#### Suggestion:

Women entrepreneurship should be encouraged to generate employment and innovation in production. Better educational facilities and schemes should be extended to women folk from government part. Adequate training program on management skills to be provided to women community. Encourage women's participation in decision-making. The Planning commission as well as the Indian government should recognize that the need for women to be part of the mainstream of economic development.

#### Conclusion:

Entrepreneurship is the backbone of the economy of the country which provide employment opportunity, income generation and demand and supply of goods and services. Women entrepreneur are those women who think of a business enterprise, initiate it organize and combine the factors of production, operate the enterprise, undertake risk and handle economic uncertainties involved in running a business enterprise. Women [entrepreneurship](#) is certainly a sturdy road to be travelled by women where they have to prove themselves. Promoting women entrepreneurship is one of the socio economic approach which help to utilisation of creativity and personnel in business activities.

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