



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2017; 3(7): 05-09
www.allresearchjournal.com
Received: 02-05-2017
Accepted: 03-06-2017

Parveen Kumar
Extension Lecturer, Govt.
P.G. College, Safidon, Jind,
Haryana, India

Concept and problems of women entrepreneurship in micro, small and medium enterprises in India

Parveen Kumar

Abstract

Micro, Small and Medium Enterprises (MSMEs) play an important role in the development of country. This sector employs an estimated 31 million persons spread over 12.8 million enterprises and labour intensity in the MSMEs sector is estimated to be almost four times higher than the large enterprise. India is a resource based country both natural and human. India and other developing countries of the world have been focused attention on the development of women entrepreneurship. Women entrepreneurs make significant contributions to their economies. It is estimated that SMEs with full or partial female ownership represent 31 to 38 per cent (8 to 10 million) of formal SMEs in emerging markets. These firms represent a significant share of employment generation and economic growth potential. Beside these contribution women entrepreneurs has been faced so many problems like lack of finance, lack of managerial skills, family obligation, lack of education, lower level of mobility and inability to take risk. India government introduce so many policies and schemes for women entrepreneurs' development.

Keywords: MSMEs, SMEs and women entrepreneurship

Introduction

Micro, Small and Medium Enterprises (MSMEs) play an important role in the development of country. Micro, Small and Medium Enterprises have been accepted as the engine of economic growth and for promoting equitable development. The MSMEs constitute over 90 per cent of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. As per available statistics, this sector employs an estimated 31 million persons spread over 12.8 million enterprises and labour intensity in the MSMEs sector is estimated to be almost four times higher than the large enterprise (<http://www.msmedikarnal.gov.in/>).

The contribution of micro, small and medium enterprises (MSME) sector to manufacturing output, employment and exports of the country is quite significant. According to estimates, in terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 per cent of the total exports of India. The MSME sector employs about 42 million persons in over 13 million units throughout the country. There are more than 6000 products, ranging from traditional to high-tech items, which are being manufactured by the Indian MSMEs (Panigrahi, 2012) [7].

India is a resource based country both natural and human but overpopulated where society is highly stratified in gender and class based. From the year of early 1990s, including India the developing countries of the world have been focused attention on the development of women entrepreneurship. However, women make nearly 50% of the total population structure which means huge potential to be utilized for socioeconomic development of the country. Due to the demographic structure, the issue of the participation of women in the mainstream economy is crucial. It is also impossible to achieve the target of poverty free society and achieving the millennium goals without incorporation of women in the income generating activities. Considering the issue, a special emphasis has been given by the Government, donor agencies, NGOs, business community and all other relevant stakeholders through various initiatives to ensure women's participation in business and industry (<http://tmimjournal.org/Pdf>).

Correspondence
Parveen Kumar
Extension Lecturer, Govt.
P.G. College, Safidon, Jind,
Haryana, India

In the Indian context, micro, small and medium enterprises as per the MSME Development Act, 2006 are defined based on their investment in plant and machinery (for manufacturing enterprise) and on equipment's for enterprises providing or rendering services.

Classification	Manufacturing Enterprises*	Service Enterprises**
Micro	Rs. 2.5 million/ Rs. 25lakh	Rs. 1 million/ Rs. 10lakh
Small	Rs. 50 million/ Rs. 5crore	Rs. 20 million/ Rs. 2crore
Medium	Rs. 100 million/ Rs. 10crore	Rs. 50 million/ Rs. 5crore

*Investment limit in Plant & Machinery

**Investment limit in Equipment's

(Source: MSME Annual Report, 2008-09)

Women entrepreneurs make significant contributions to their economies. It is estimated that SMEs with full or partial female ownership represent 31 to 38 per cent (8 to 10 million) of formal SMEs in emerging markets. These firms represent a significant share of employment generation and economic growth potential. Women entrepreneurs are also more likely than their male colleagues to be in the informal sector, running smaller firms mainly in service sectors and thus operating in lower value added sectors.

Review of literature

Dangi and Ritika (2014) [2] found that In Modern India, more and more women are taking up entrepreneurial activity especially in micro, small and medium scale enterprises. Women across India are displaying an attentiveness to be economically independent. The Indian women are no more treated as beautiful showpieces. They have imprinted a niche for themselves in the male dominated world. Indian women well manage both burden of work in household front and meeting the deadlines at the work place. They stated that many problems and challenges are faced by women's related to financial resources, working capital, education, managerial skills and competition. Study is based on the primary and secondary data. Analysis of data has been done with the help of ratio, percentage and graphs.

Iyiola and Azuh (2014) [3] examined the impact of women entrepreneurs on the economy of Ota, Nigeria. It sought to find the roles and contributions of women small and medium scale enterprise (SME) operators to the development of the city. One hundred and fifty copies of questionnaire were administered out of which one hundred and forty six were retrieved for analysis. Data collected were analysed using simple frequency tables and regression analysis. The results revealed that the extent to which the variance in poverty level can be explained by the activities of women entrepreneurs is 32.3%. This shows that the activities of women entrepreneurs have a significant effect on poverty level in Ota Ogun State Nigeria. They also discovered that a lot of women are uneducated; as far as business technicalities are concerned.

Stephen (2014) [11] stated that women in Akwa Ibom State have contributed meaningfully to poverty reduction and economic development of the state. Women entrepreneurs are engaged in different sectors of the economy. About 37% are in agriculture, 26.8% in trade, 18.5% in services and 4.8% in entertainment. There was no significant difference ($P > 0.05$) between women entrepreneurs in factors militating against their performance in MSMEs. In this study, survey research design was adopted. Data was gathered from 400 small businesses and enterprises selected from the three senatorial districts of Akwa Ibom State. The

According to the Ministry of Micro, Small and Medium Enterprises, recent ceilings on investment for enterprises to be classified as micro, small and medium enterprises are as follows:

collection of data was done using structured questionnaires, personal interview and observations.

Jayan (2013) [4] found that today with the growth of MSMEs many women's have plunged into entrepreneurship and are also running their enterprises successfully. With the relevant education, work experience, improved economic condition and financial opportunities more women's are venturing into business. Coimbatore city has been selected for the study. Statistical tools such as percentage analysis, weighted average rank analysis and chi-square analysis are used for the purpose. The primary data was collected through survey method using interviews schedules.

Singh and Raina (2013) [10] found that in modern India, more and more women are taking up entrepreneurial activity especially in micro, small and medium scale enterprises. They are willing to be inspired by role models- such as Indra Nooyi, Chief Executive-Pepsi Co. or Ekta Kapoor, Creative Director-Balaji Telefilms. The Indian women are no more treated as beautiful showpieces. They found that women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nature and Indian women's give more emphasis to family ties or relationship.

Vijaykumar and Naresh (2013) [12] stated that In the Globalised world, women entrepreneurs are playing a vital role and they have become important part of the global quest for the sustained economic development and social progress. In India, the women role has been explicitly recognized with a market shift in the approach from women welfare to women development and empowerment from the Fifth Five Year Plan (1974-79) onwards and today the significant role of women in entrepreneurship constantly increasing due to various global factors. Study is based on the primary and secondary data. Analysis of data has been done with the help of ratio, percentage and tables.

Danabakyam and Kurian (2012) [1] stated that women entrepreneurship plays a prime role in industrial development. It has played very vital role in fulfilling the socio-economic objectives of the nation. The main reason of success factors to become a women entrepreneur is achievement motivation and human relation. The contribution of the women entrepreneurs with the help of MSME to our national economy cannot be underscored. Chennai city has been selected for the study. Statistical tools such as percentage analysis, weighted average rank analysis and chi-square analysis are used for the purpose. The primary data was collected through 100 questionnaires by convenience sampling methods.

Pazir and Hussain (2012) [8] found that the presence of a macroeconomic policy aimed at creating an enabling business environment is crucially needed for the growth and

expansion of small enterprises operated by women in Rajouri. Women's have generated wide interest and advocacy in building regional links and networks among women organizations in Asia. For the study, Rajouri district has been taken. Rajouri district consists of seven Tehsils. We have taken 175 samples for analysing the performance on the basis of women participation in this area. They have taken 25 samples per Tehsil, from which primary data was collected during the time period from August 2011 to September 2011 with the help of questionnaires and convenience sampling. Statistical Package for the Social Sciences (SPSS) 17.0 was used.

Rao *et al.* (2012) [9] found that the women entrepreneurs (88%) fall into very high to medium level of success. Only 11.9% of women entrepreneurs were considered to be less successful. They found that 57-58% of women entrepreneurs had successfully expanded the firm since the conception. Only 42-43% of women entrepreneurs had faced challenges in expanding the firm. Only 3.4% of women entrepreneurs had rated finance, good location, lack of confidence, and lack of family support as main constraints in expanding the business. The sample for this study focuses fashion and apparel business owned and operated by women. The questionnaire developed was administered for a sample of 69 entrepreneurs spread across Coastal Karnataka. The entrepreneurs for the study were classified into four groups of success based on the profit generated by the enterprise in comparison to the profit during the establishment stage of the business. Data collected were tabulated and processed using SPSS software.

Objective

- To study the Concept of women entrepreneurship in India.
- To study the problems and challenges faced by women entrepreneurs in India.
- To study the initiatives taken by government for women entrepreneurs in India.

Methodology

The paper is descriptive in nature. The data used in the paper is mainly from the secondary sources. The data has been collected from secondary sources like research papers, books, articles, Annual Reports of Government, Economic Surveys and MSME Census Report.

Concept of women entrepreneurship

The term "Women Entrepreneur" deals with that section of the female population who venture out into industrial activities i.e. manufacturing, assembling, job workers, repairs/servicing and other businesses. Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Women are expected to innovate, imitate or adopt an economic activity to be called women entrepreneurs.

The word entrepreneur is derived from the French word "entreprender" which means a person who carries out the task of bringing together various resources and manages them to accomplish desired results and take some portion. Women Entrepreneurs may be defined as the women or a group of women who initiate, consolidate and run a business enterprise. Government of India has defined Women

Entrepreneurs as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women Entrepreneurship in India symbolizes a group of women who are discovering new opportunities of economic participation (Dangi and Ritika, 2014) [2].

Women entrepreneurs' enterprise as defined for the first time, in 1988 lay down than an enterprise owned and administered by a woman entrepreneur with a minimum financial interest of 51 per cent in the share capital and giving at least 50 per cent employment to women would be treated as women's enterprise. The investment ceilings were kept at par with the limits specified in 1985 for other units, i.e. up to Rs. 35 lakh for SSI units and up to Rs. 45 lakh for ancillaries. This definition was revised in August 1991, by dispensing with the employment criterion for women workers.

Currently, the women's enterprise is defined as a small scale industrial unit/industry related service or business enterprise managed by one or more women entrepreneurs in proprietary concerns in which she/they individually or jointly have a share of capital of not less than 51 per cent as partners/shareholders/directors of private limited companies/members of cooperative societies.

Problems and challenges faced by women entrepreneurs

Many problems faced by women entrepreneurs related to finance or competition and these are given here below on the basis of literature review:

1) Access to finance: It is considered as a key issue to women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have more a few opportunities than men to gain access to credit for various reasons, including lack of collateral, involuntariness to accept household assets as collateral. It is very important that women entrepreneurs have adequate knowledge and information of the various financial institutions which are rendering financial incentives and many other help for the women entrepreneurs in the region.

2) Access to training: Women has limited access to vocational and technical training in South Asia. UNIDO report suggests that women are often unaware of the training opportunities.

3) Family obligation: Women's family obligations also restrict them from becoming effective entrepreneurs. Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business.

4) Lack of managerial skills: Another challenge is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries to get things done related to marketing and sales side of business.

5) Low mobility: The confidence to travel over day and night, even different regions and states are less found in women as compared to male entrepreneurs. Though women faced lots of problems being mobile in entrepreneurial

activity, the mobility problem has been solved to certain extent by the expansion of education awareness to all.

6) Competition: The competition is another reason which creates problems in the path of women entrepreneurs in the business management process. Women's also face the hard competition from male due to lack of better organisation skills compared to male entrepreneurs.

7) Lack of modern technical education: The literacy rate of women in India is found at low as compared to male population. Many women in developing nations are unaware of new technologies and often incapable to do research and gain necessary training.

8) Not able to take risk: Low-level risk taking attitude is another factor affecting women entrepreneurs. Investment of money in new business and maintaining the operations of enterprises requires high risk taking attitude.

9) Absence of entrepreneurial aptitude: Many women take the training by attending the Entrepreneurship Development Programmes without entrepreneurial set of mind. As per a study, involvement of women in small scale sector as owners stands at simple 7 per cent.

10) Lack of knowledge of availability of raw material: Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

11) Other problems: women entrepreneurs faces so many others problems like management of labour, inefficient arrangements for marketing and sales and more importance to family and relationship (Rao, 2012)^[9].

Initiative taken by government for women entrepreneurs

There is growing evidence all over the world that Small and Medium Enterprises (SMEs) play a significant role in the national economic development of any country. They provide majority of new jobs and produce much of the creativity and innovation that fuels economic progress. In India, the Ministry of Micro, Small and Medium Enterprises (MSME) is implementing the promotional schemes for the development of micro, small and medium enterprises. While there are no specific reservations for women, in the latter, there are some concessions/incentives available under these programs for the benefit of women entrepreneurs.

A) Trade Related Entrepreneurship Assistance and Development

The Trade Related Entrepreneurship Assistance and Development (TREAD) scheme for women conceives of economic empowerment of women through development of their entrepreneurial skills in non-farm activities. The government grants up to 30 per cent of the total project cost are provided to the Non-Governmental Organizations (NGOs) for promoting entrepreneurship among women. The remaining 70 per cent of the project cost is financed by the lending agency as loan for undertaking activities as imagines in the project. Further, the government grants up to

Rs.1 lakh per programme is provided to training institutions/NGOs for imparting training to the women entrepreneurs (MSMEs Annual Report, 2012-13).

B) Mahila Coir Yojana

Mahila Coir Yojana is a woman-oriented self-employment scheme in the coir industry, which provides self-employment opportunities to the rural women artisans in regions producing coir fibre. The scheme conceives of distribution of motorized ratts for spinning coir yarns to women artisans after giving training. Women spinners are trained for two months in spinning coir yarn on motorized ratt at the Coir Board training centres. A stipend of Rs.500 per month is also paid to the trainees. The Coir Board provides motorized ratts / motorized traditional ratts at 75 per cent cost subsidy (http://tmimjournal.org/Pdf/Poceddings/Track1/Track1_Paper3.pdf).

C) Training Of Women Entrepreneurs

The industrial policies of the government announced from time to time, have laid considerable emphasis on promotion of women entrepreneurship, particularly among first generation women entrepreneurs through various training and support services. Special attention is being given by organizing exclusive Entrepreneurship Development Programmes (EDPs) for women. In addition to programmes and schemes of MSME, NSIC, KVIC and Coir Board relating to conduct of EDPs and SDPs for benefit of potential women entrepreneurs, three national level entrepreneurship development institutes set up by the Ministry, particularly Indian Institute of Entrepreneurship (IIE), Guwahati, are also undertaking training programmes for skills and entrepreneurship development for women.

D) Prime Minister's Employment Generation Programme (PMEGP)

PMEGP launched in 2008-09 also gives special attention to urban and rural women by providing them subsidy at the rate of 25 to 35 per cent of the project cost in urban and rural areas respectively. Bank finance in the form of loan is 95% of the project cost for women.

E) Credit Guarantee Fund Scheme

The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGS) was launched by the Government of India to make available collateral-free credit to the micro and small enterprise sector. Both the existing and the new enterprises are eligible to be covered under the scheme. The Ministry of Micro, Small and Medium Enterprises, and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the Credit Guarantee Fund Scheme for Micro and Small Enterprises. The scheme was formally launched on August 30, 2000. The principal of CGTMSE is being contributed by the Government of India and SIDBI in the ratio of 4:1 respectively and has contributed Rs. 2295.30 crore to the principal of the Trust up to August 31, 2014 (<http://www.dcmsme.gov.in/schemes/sidoscheme.htm>).

F) Indira Mahila Yojana

The Indira Mahila Yojana (IMY) launched in 1995-96 has been recast after merging Mahila Samridhi Yojana and

retitled as 'Swayamsiddha' in 2001 to empower women through awareness generation, achievement of economic strength through micro-level income-generating activities and establish convergence of various services such as literacy, health, rural development etc. IWEP also aims at organizing women into Self Help Groups to form a strong institutional base. The Scheme is being implemented in 238 Community Development Blocks and more than 42,000 Women Self-Help Groups were formed by the end of 2000 (www.sociologyguide.com).

G) Hostels for Working Women

Other Welfare and Support Services for working women are being extended through Hostels for Working Women (HWW) which aims to promote greater mobility for women in the employment market through cheap and safe accommodation for working women in low income groups. Since inception in 1973 up to February 2002, 873 hostels have been sanctioned to provide accommodation to 60,865 working women (<http://indiabudget.nic.in/es2001-02/chapt2002/chap111.pdf>).

H) Mahila Udyam Nidhi & Mahila Vikas Nidhi Yojana

The Small Industries Development Bank of India (SIDBI) has been implementing two special schemes for women Mahila Udyam Nidhi which is an exclusive scheme for providing equity to women entrepreneurs and the Mahila Vikas Nidhi which offers developmental assistance for pursuit of income generating activities to women. Further, SIDBI has also taken initiative to set up an informal channel for credit needs on soft term giving special emphasis to women including training for credit utilization and credit delivery skills for the executives of voluntary organizations working for women (<http://pib.nic.in/newsite/PrintRelease.aspx?relid=121310>).

Conclusion

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Women sector occupies nearly 45% of the Indian population. At this joint, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. Though they face many problems and challenges in their path of becoming a successful entrepreneur but the government has taken many initiatives for the growth of women entrepreneurs. Finally, it can be said that there is a long way to go for women entrepreneurs and MSMEs in India and their success is the success of Indian economy.

Reference

1. Danabakyam M, Kurian S. Women entrepreneurship in micro, small and medium enterprises (MSMEs) in Chennai City. *International Journal of Marketing, Financial Services & Management Research*. 2012; 1(10):68-74.
2. Dangi N, Ritika. Women entrepreneurship and growth and performance of MSMEs in India. *International Journal of Advance Research in Computer Science and Management Studies*. 2014; 2(4):174-182.

3. Iyiola O, Azuh D. Women entrepreneurs as small-medium enterprise (SME) operators and their roles in socio-economic development in Ota, Nigeria. *International Journal of Economics, Business and Finance*. 2014; 2(1):01-10.
4. Jayan VK. Women entrepreneurship in MSMEs with special reference to Coimbatore City. *International Journal of Advanced Research*, 2013; 1(4):321-325.
5. Ministry of Micro, Small and Medium Enterprises, Annual Report, 2012-13.
6. Ministry of Micro, Small and Medium Enterprises, Annual Report, 2008-09.
7. Panigrahi AK. Risk management in micro, small and medium enterprises (MSMEs) in India: A critical appraisal. *Asia Pacific Journal of Marketing and Management Review*. 2012; 1(4):59-72.
8. Pazir D, Hussain S. Women's participation in micro, small and medium enterprises. *ZENITH International Journal of Business Economics and Management Research*. 2012; 2(3):183-194.
9. Rao V, Venakatachalam A, Joshi HG. Challenges Faced by Women Entrepreneurs Running Micro, Small and Medium Scale Fashion and Apparel Business: A Study on Fashion and Apparel Enterprises in Coastal Karnataka. *International Conference on Trade, Tourism and Management (ICTTM'2012)*, 2012; 21-22:172-175. Bangkok (Thailand).
10. Singh AD, Raina M. Women entrepreneurs in micro, small and medium enterprises. *International Journal of Management and Social Sciences Research*. 2013; 2(8):4-8.
11. Stephen EN. Women entrepreneurship in micro, small and medium- scale enterprises in Akwa Ibom State. *IOSR Journal of Business and Management*. 2014; 16(3):08-13.
12. Vijaykumar T, Naresh B. Women entrepreneurship in India- role of women in small and medium enterprises. *TRANS Asian Journal of Marketing and Management Research*. 2013; 2(7):13-25.
13. <http://www.msmedikarnal.gov.in/>
14. <http://www.dcmsme.gov.in/schemes/sidoscheme.htm>
15. www.sociologyguide.com
16. <http://tmimjournal.org/Pdf>
17. <http://indiabudget.nic.in/es2001-02/chapt2002/chap111.pdf>
18. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121310>
19. http://tmimjournal.org/Pdf/Poceddings/Track1/Track1_Paper3.pdf