

Women Entrepreneurship in Indian MSME Sector: An Overview

Abstract

The Micro, Small and Medium Enterprises (MSMEs) play a very important role in the Indian economy. When the women initiate, organize and operate a business enterprise is known as a women entrepreneur. The objectives are to study of government schemes and loan facilities for women entrepreneurs. This study is based on secondary data, which collected from the annual reports of MSMEs, journals, websites etc. The Indian government has introduced the following schemes for promoting women entrepreneurship: Mudra Yojana Scheme, Training of women entrepreneurs, TREAD, PMRY, Mahila Coir Yojana, MSE-CDP, Exhibitions for women under promotional package etc.

Keywords: Government Policies, MSMEs, Training Programmes, TREAD, Women Entrepreneurs.



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Introduction

Concept of Women Entrepreneurship and MSME

When the women initiate, organize and operate a business enterprise is known as a women entrepreneur.

Women entrepreneur has to perform all the activities like designing, launching and running a new business, offering a product for sale along with its risks for make a profit. Women entrepreneurs are empowering by Ministry of Micro, Small and Medium Enterprises (MSME) through its various schemes. The Government of India has also empowered to women entrepreneur through its various steps. The Indian government has introduced the following schemes for promoting women entrepreneurship: Mudra Yojana Scheme, Training of women entrepreneurs, TREAD, PMRY, Mahila Coir Yojana, MSE-CDP, Exhibitions for women under promotional package etc. As per the Micro, Small and Medium Enterprises Development Act, 2006 the inception limits for the MSME enterprises are as follows:

Classification	Investment limit in Plant & Machinery (Manufacturing or Production Sector)	Investment limit in Equipment (Service Enterprises)
MICRO	Investment is below or equal to Rs. 25 lakhs	Investment in equipment does not above Rs. 10 lakhs
SMALL	Investment is to be above Rs. 25 lakhs but limited to Rs. 5 crores	Investment in equipment is above 10 lakhs but up to Rs. 2 crores
MEDIUM	Investment is above Rs. 5 crores but below Rs. 10 crores.	Investment in equipment is above Rs.2 crore but below Rs. 5 crores

(Source: Entrepreneurs memorandum (Part-II) data on MSME sector by Ministry of MSMEs.

Micro, Small and Medium Enterprises (MSMEs) in India

MSMEs sector, not only provide huge employment opportunities but also ensure regional balance by taking industrialization to rural and backward areas (According to CII about 20% of MSMEs operate out of rural & backward areas). The small scale industry plays an important role, captivating approx. 80% of the employment. Government has been encouraged the rural based micro enterprises by various schemes e.g. Integrated Rural Development Program (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA). The MSMEs comprise above 90% of total enterprises in most of the economies and are credited with generating the utmost rates of employment growth and also for a foremost share of industrial production and exports. According to the MSME ministry, this



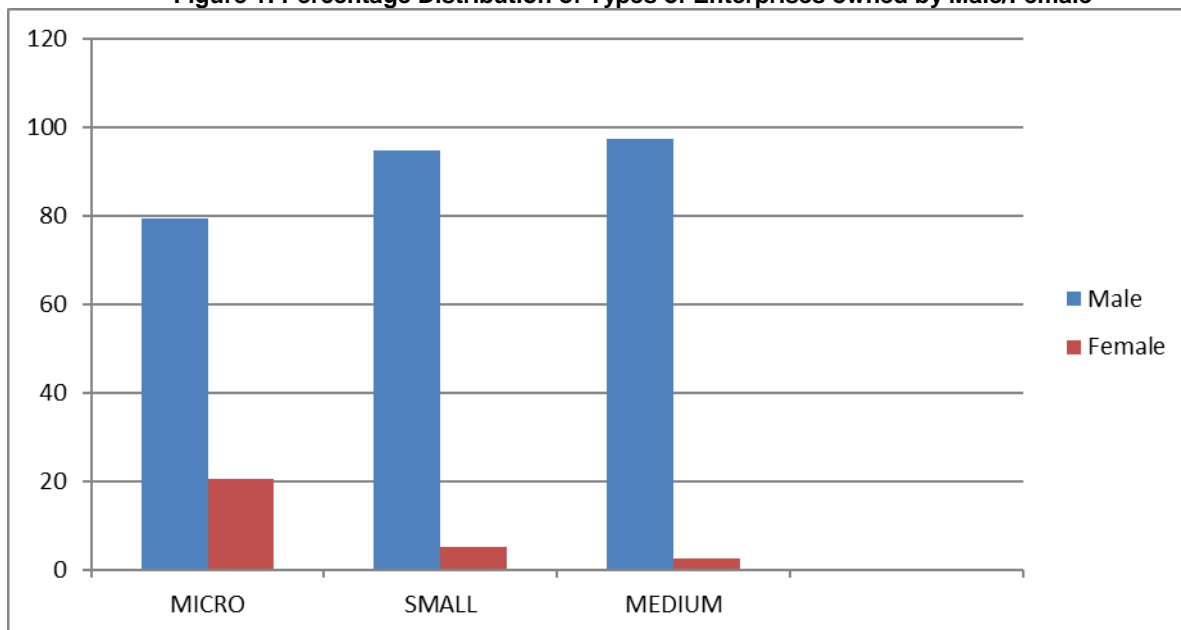
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sector employs a projected 31 million persons extend over 12.8 million enterprises and labour strength in the MSMEs sector. There are above 6000 products are being manufactured by the Indian MSMEs. Out of total 15,64,000 registered enterprises 2,15,000 or 13.7% are women entrepreneurs. Khadi and Village Industries Commission (KVIC) and Coir Board has announced that under the Prime Minister's Employment Generation Programme (PMEGP), the margin money subsidy provided to women entrepreneurs has been improved to 35% in rural

areas and 25% in urban areas. MSMEs provide large employment opportunities at lower capital cost than large industries. MSME sector has created about 11.10 crore jobs in India. India's MSME sector comprises of 633.88 lakh units as per National Sample Survey 73rd round (2015-16). As per global entrepreneurship monitor report on women's entrepreneurship 2016-17, the female total early stage entrepreneurial activity is 7.6% and women established business activities are 3.4%.

Figure 1: Percentage Distribution of Types of Enterprises owned by Male/Female



Source: Annual Report of MSME, 2017-18

According to the annual report of MSME, 2017-18, percentage enterprises by male owners are 79.56% (female 20.44%), 97.33% (female 2.67%) and 94.74% (female 5.26%) in the category of micro, medium and small respectively. As Per the NSS 73rd Round of NSSO, there are a total of estimated approximately 1,23,90,523 Women owned proprietary MSMEs in the country. More than 20% proprietary MSMEs are owned by women. According to annual report of MSME, 2017-18 West Bengal secures first position in the share of state among all MSMEs with female owners, which is quite impressive i.e. 23.42%. The second and third position is secured by Tamil Nadu and Telangana with large decreased share i.e. 10.37% and 7.85% respectively. After that the share of other states becomes static. But surprisingly the share of Uttar Pradesh which is the biggest state is just 6.96% and other bigger states like Gujarat, Maharashtra, and Rajasthan also show the awful performance.

Objectives of the Study

The main objective of the present study is to evaluate the women entrepreneurship in Indian MSME Sector over a period of five years from 2013-14 to 2017-18. The other objectives can be listed below:

1. To understand the concept of women entrepreneurship.

2. To explain the position of women entrepreneurs in small and micro enterprises in India.
3. To study the Indian MSMEs provide training and grants to women entrepreneurs.
4. To study the problems and challenges faced by women entrepreneurs in India.
5. To analyze the government schemes and programmes for women entrepreneurs in India.
6. To sketch conclusions and suggestions.

Research Methodology

The present paper is a descriptive research and based on secondary data, which are collected from the published annual reports of Ministry of Micro, Small and Medium Enterprises (MSME), publication of SSI Reports, economic surveys, published report of RBI, NABARD, books, newspapers, journals, websites etc. The published and unpublished work of various scholars also used. The period covered under the study extends over five financial years from 2013-14 to 2017-18.

Review of Literature

Sufficient number of studies have been investigated the women entrepreneurship in MSME sector in India.

Dangi and Ritika (2014) explain that in India, more women are attractive up entrepreneurial activity in micro, small and medium level enterprises. Women are displaying a consideration to be economically self-

governing. Indian women fine manage both burden of work in household front and meeting the deadlines at the workplace. They found that many problems and challenges are faced by women's regarding to financial resources, competition, managerial skills and working capital.

Lall & Sahai, (2008) carry out a comparative assessment of multi-dimensional issues & problems of women entrepreneurship. The study acknowledged business owner's characteristics as self awareness, entrepreneurial strength and operational challenges. The study recommended that while, there has been considerable growth in number of women opting to work in family owned business, but they still have inferior status and face more operational problems in running business.

Activities and Programmes for Promoting Women Entrepreneurship

India cannot progress in absence of the contributions from women entrepreneurs. The Indian Government has launched 'SWAYAM', as hold up cell for women entrepreneurs. Also introduced the following schemes for promoting women entrepreneurship:

Training of Women Entrepreneurs

The industrial policies have laid considerable importance on encouragement of women

Table-1: Number of women participated in training programmes

Year Training Institute	2013-14 (up to Dec., 2013)	2014-15 (up to Dec., 2014)	2015-16 (up to Jan., 2016)	2016-17 (up to Dec., 2016)	2017-18 (up to Dec., 2017)
NI-MSME, Hyderabad	6648	2393	4818	4050	4378
NIESBUD, Noida	32701	31813	31753	32809	19508
IIE, Guwahati	13750	8226	10871	8874	11589
NSIC	34338	25897	27557	21313	23578

Source: Annual Reports, MSME, 2013-14 to 2017-18

NIESBUD, Noida institute continued with its activities having focus on encouraged women candidates for participation in its training. The institute provided training to 32,701 (31813 in 2014-15) women which are almost 33% (25% in 2014-15) of the total participants through its different training activities during the period. During the year 2015-16 (up to January 2016), the NI-MSME, Hyderabad Institute has provided training to 4,818 women under its various training programmes. During the year 2015-16 (up to January 2016), NSIC has provided training to 27,557 women under various training programmes. During the year 2016-17 (up to December 2016), NSIC has provided training to 21313 women under various training programmes. Under e-learning platform, ni-msme has developed a dedicated portal for different modules targeting mainly women entrepreneurs for their career progress from home. Under this proposal, around 5901 entrepreneurs have enrolled in 17 trades up to 31/03/2017. The decrease in the number of programmes and participants over

entrepreneurship, by way of various training and support services. The independent bodies under MSME-DO also conduct various short-term and long-term training programmes. In addition to schemes of MSME-DO, NSIC, KVIC and Coir Board, relating to conduct of EDPs & SDPs for benefit of probable women entrepreneurs. The ministry has set up three national level entrepreneurship development institutes namely national institute for micro, small and medium enterprises (NI-MSME), Hyderabad, The national institute for entrepreneurship and small business development (NIESBUD), Noida, and Indian institute of entrepreneurship (IIE), Guwahati to undertake the skill development training on a regular basis. The National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida has conducted seven training programmes exclusively for women. The following training schemes particularly for the women are introduced by government:

1. Support for Training and Employment Programme of Women (STEP).
2. Small Industry Service Institutes (SISIs)
3. State Financial Corporations
4. National Small Industries Corporations
5. District Industrial Centres (DICs)

the previous year was mainly due to less number of programmes under ATI scheme of the Ministry during 2016-17.

Trade Related Entrepreneurship Assistance and Development (TREAD)

TREAD scheme was launched during the 11th Plan, by Ministry of Small Industries to develop women entrepreneurs in rural, semi-urban and urban areas. The Government's grants up to 30% of the total project cost (up to Rs. 30 lakh) is provided to women for promoting entrepreneurship. The lending agency is financed the balance 70% of the project cost. Besides, need-based grants up to Rs. 5 lakhs may also be provided to national level EDIs (Entrepreneurship Development Institutes) and other institutions, regarding field surveys, evaluation and research studies, scheming of training modules etc. Under TREAD scheme, proposals concerning grant of Rs. 51.65 lakh have been permitted to 16 NGOs / Institutions for benefiting 1700 women.

Table-2: Number of Women Benefitted under the TREAD Scheme and Grants Released

Year	Number of women benefitted	Total grant released (Rs. in lakh)
2013-14	5535	233
2014-15	8265	254
2015-16	3560	200
2016-17 (up to 31.12.2016)	5000 (proposed)	Nil
2017-18	Scheme wound up	Scheme wound up

Source: Annual Reports, MSME, 2013-14 to 2017-18

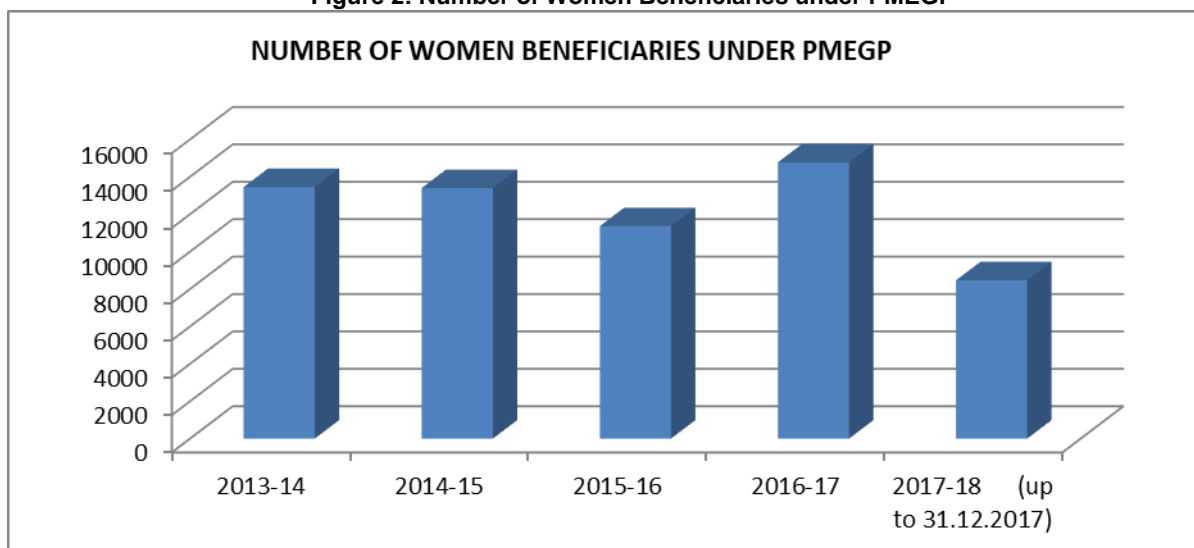
The above table 2 shows that grant of Rs. 2.00 Crore has been released during the year 2015-16 (up to 31st January. TREAD for women wound up during 2017-18.

Prime Minister's Employment Generation Programme (PMEGP)

This scheme launched in 2008-09, under PMEGP higher subsidy is provided to women beneficiaries. Such as:

1. For women beneficiaries, margin money subsidy is provided at the rate of 25% of the project cost for urban and 35% in rural areas.
2. In case of women borrowers, bank loan is 95% of the project cost.

116447 projects have been assisted to women entrepreneurs under PMEGP from 2008-09 to 31.12.2017. Data on number of women beneficiaries for each over the past five years is as follow:

Figure 2: Number of Women Beneficiaries under PMEGP

Source: Annual Reports of MSME, 2013-14 to 2017-18

Above chart shows that number of women entrepreneurs beneficiaries under PMEGP has been decreasing over the past five years. In 2013-14 the beneficiaries were 13448 which continuously decreased till 2015-16 up to 11356 that may be due to different changes and problems in the economy. But it got the momentum in 2016-17 and reached upto 14768.

Mudra Yojana Scheme

This scheme launched by Government of India, in 2015 for women, aspiring to establish a small or micro-enterprise. It provides financial assist to women entrepreneurs up to Rs.10 lakh. Under this scheme:

1. At present loans available under three plans – Shishu, Kishore and Tarun.
2. Collateral security not required.
3. Mudra loan for women entrepreneur also available for business growth and expansion.

4. Loan's tenor for women may continue up to 7 years.

Rural Employment Generation Programme (REGP)

REGP scheme is for the employment generation programmes in the unorganised sector. There has been significant participation approx. 30% of women. The following relaxations are being provided to women beneficiaries: (i) Capital Subsidy in the form of margin money is provided at the rate of 30% of the project cost maximum Rs.10 lakh and 10% on the balance project cost up to Rs. 25 lakhs. (ii) The borrowers' contribution is 5% of the project cost in case of women beneficiaries. (iii) Bank loan is 95% of the project cost in case of women. In this scheme, 6356 projects of women entrepreneurs involving margin money of Rs. 16397.99 lakh have been assisted during 2017-18 (up to December 2017).

Prime Minister Rozgar Yojana (PMRY)

During 2006-07, the participation of women under PMRY was 16.5%. Under this scheme, instructions are issued for ensuring that the number of women beneficiaries should not be below 30%. The following relaxations are being provided to women: (i) Age Relaxation the upper limit for women applicants is 45 years. (ii) The residency criterion of last three years is applicable for spouse/in-laws in case of married women applicants. During 2007-08, up to September 2007, under this scheme, 4515 projects of women beneficiaries have been sanctioned.

Mahila Coir Yojana (MCY)

This scheme (launched in November 1994) provides self-employment opportunities to the rural women in regions producing coir fibre. The scheme envisages allocation of motorized ratts for spinning coir yarn to women artisans after training. Women spinners are trained for 2 months in at the Coir Board's training centres. The Coir Board provides motorised ratts at 75% cost subsidy, but maximum limit of Rs. 7,500/- related to motorized ratts and Rs. 2,925/- for traditional ratts. A stipend of Rs. 500/- p.m. is also paid to the trainees. During the year 2015-16 under this scheme 596 Nos. of Motorized ratts/Motorized Traditional Ratts/Other coir processing equipments distributed.

Micro & Small Enterprises Cluster Development Programme (MSE-CDP)

This scheme is for support, related to capacity building, common facilities, marketing etc. It covers the cost of machinery, plant, equipment, laboratory and other tangible assets. The 10% of the project cost would have to be contributed by the SPV or by the State government or the Local government. The Ministry of MSME is making efforts to increase the grant to 80% in a project of Rs.10 crore. The cluster development objectives are improvement of technology, up gradations of technology, upgrade infrastructural facilities, marketing of products and competitiveness. During the financial year 2016-17 (up to 31.12.2016), 3 common facility centres and 3 infrastructure development projects have been completed. During the financial year 2017-18 (upto 31st December 2017), 9 Common Facility Centers and 11 Infrastructure Development Projects have been completed.

Support for Entrepreneurial and Managerial Development

MSME DIs continue conduct EDPs/MDPs for existing and new entrepreneurs. To encourage more entrepreneurs from among the SC/ST women and physically challenged persons, it is projected that above mentioned beneficiaries will not be charged any fees. 50,000 entrepreneurs will be trained in IT, Fashion Technology, Catering; Agro & Food Processing etc. through specialized courses progress by MSME DIs. 20% of courses conducted by these Institutions shall be entirely for women.

Exhibitions for Women under Promotional Package for Micro & Small Enterprises

This scheme approved by CCEA regarding women entrepreneurs to encourage Small & Micro manufacturing units, to increase export. Under this scheme involvement of women entrepreneurs in 25

international exhibitions is envisaged throughout the 11th Plan. During financial year 2016-17 NSIC organized/cosponsored 202 exhibitions in India and participated in 20 international exhibitions. A good number of prominent women entrepreneur associations have been requested to sponsor their members for participation in 13 international exhibitions scheduled during the financial year 2017-18 (up to 31st Dec., 2017).

Swarna Jayanti Gram Swarozgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana

These schemes were introduced by government to provide reservations for women and encouraging them to start their ventures.

Udyam Sakhi

Ministry of Micro, Small & Medium Enterprises, on International Women's day 8th March 2018, launched Udyam Sakhi. This platform enlightens women entrepreneurs through learning tools, information related to government policies and programmes, Information regarding world class MSME-Technology Centres of M/o MSME, availability of suitable trainings, seminars and workshops, finance schemes, assistance for cluster development programmes etc.

Loan and Finance Schemes for Women Entrepreneurs in India

In the 2015, Female Entrepreneurship Index reported by The Global Entrepreneurship and Development Institute (GED), India ranks poorly in terms of availability of financing for women entrepreneurs. Improving women entrepreneurship is a key consent in the National Policy, 2015 for Skill Development and Entrepreneurship. The top scheme for providing loan for women entrepreneurs are: (i) Stree Shakthi Package for Women Entrepreneurs (ii) Annapurna Scheme (iii) Cent Kalyani Scheme (iv) Dena Shakti Scheme (v) Mahila Udyam Nidhi Scheme (vi) Udyogini Scheme (vii) Bharatiya Mahila Bank (viii) Credit Guarantee fund scheme (ix) Mahila Vikas Nidhi (x) Rashtriya Mahila Kosh. Under Bank of India's, Priyadarshini Yojana, a liberation of interest rates from 0.5% to 1 % and no collateral security is required for loans up to Rs 5 lakh. Similarly, Oriental Bank of Commerce's Orient Mahila Vikas Yojana scheme, there is up to 2% concessions and no collateral security for loans up to Rs.10 lacs. The banks also have micro-credit units, for facility of doorstep services to rural women. Canara Bank has established the Centre for Entrepreneurship Development (CED) for Women. The bank has also opened exclusive branches for women only. For MSME "Credit Guarantee Fund Scheme" was introduced by Govt. of India, to ensure better flow of credit. The Scheme covers collateral free facility up to Rs One crore extended by eligible lending institution to new & existing MSMEs.

SME Easy Loan: Bharatiya Mahila Bank operates this scheme aimed at SMEs owned and operated by women entrepreneurs. In this scheme a combination of working capital and term loan can be sanctioned. Loan below Rs.1 crore will be covered under the CGTMSE scheme and loan of upto Rs.20 crore can be provided under this scheme. Loan

sanctioned under the BMB SME easy scheme have a tenure of upto 7 years at 12.25% rate of interest.

Problems and Challenges Faced By Indian Women Entrepreneurs

Many problems faced by women entrepreneurs related to finance or competition etc. These are as follows:

1. Accessing credit, particularly for commencement of an enterprise, is one of the main challenges faced by women entrepreneurs. Women entrepreneurs have not sufficient knowledge and information related to several financial institutions.
2. The competition is also creates challenges for women entrepreneurs. Women's face the tough competition due to lack of skills.
3. Family obligations also confine them from becoming successful entrepreneurs. Having major accountability regarding home, children and dependent members of family.
4. Women have inadequate permission to technical training. Women are frequently uninformed of the training opportunities.
5. Many women in India are uninformed of new technologies and regularly incompetent to do research and gain necessary training.
6. Women entrepreneurs have lower management skills. They have to depend on others to get things done connected to marketing and sales.
7. Lack of knowledge regarding availability of the raw materials and low-level bargaining skills are influence women entrepreneur's business.
8. Several women take the training without entrepreneurial set of mind by attending the Entrepreneurship Development Programmes. According to data available, involvement of women in small scale sector as owners stands at 7%.
9. Low risk-taking approach is distressing women entrepreneurs. Investment of money in new business and maintaining the operations of enterprises requires high risk-taking position.

Findings, Conclusion and Recommendations

Findings

1. Approximately 8 million Indian women started their own businesses through facility and assistance of Ministry of Micro, Small & Medium Enterprises platform.
2. Ministry of Micro, Small and Medium Enterprises is empowering women entrepreneurs by way of its different schemes. 1.08 lakh projects have been set up by the women entrepreneurs PMEGP Scheme from inception to 23.11.2018.
3. Women entrepreneurs have set up 30437 projects for which margin money of Rs. 85,305 lakh have been disbursed under the Khadi Programme of KVIC during 2016-17 and 2017-18.
4. The Government of India has also taken various steps like TREAD Scheme, Stand Up India, Mahila Udyam Nidhi Scheme, Mudra Yojana Scheme, Stree Shakti Package for Women Entrepreneurs, Bhartiya Mahila Business Bank

Loan, Dena Shakti Scheme, Udyogini Scheme etc.

Conclusion

MSMEs sector, not only provide huge employment opportunities but also ensure regional balance by taking industrialization to rural and backward areas (According to CII about 20% of MSMEs operate out of rural & backward areas). DC (MSME) has started a women cell to impart coordination and help to women entrepreneurs. There are also numerous other schemes of the central and state government. Small Industries Development Bank of India (SIDBI) has also been implementing unique schemes for women entrepreneurs. The latest survey shows only 20% ownership of women entrepreneurs. Hence, there are requires of key changes in attitudes and mindsets of public. As per the data by Startup India, only 13.76% of the total entrepreneurs in India are women. It is expected that SMEs to participate a significant position with the Indian economy, estimated to touch \$5 trillion by 2025.

Recommendations

On the basis of above analysis, a summary of recommendations related to women entrepreneurship in MSME sector are as follows:

1. Assistance in project formulation and follow up of training programmes.
2. Sufficient credit facilities, financial incentive and subsidies should be provided to enterprises owned by women.
3. A committee should be constituted for drafting policy related to women entrepreneurship.

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