



ECONOMIC AND SOCIAL EMPOWERMENT OF WOMEN ENTREPRENEURS THROUGH MSMEs

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) in India are acting as power and spirit of economic growth in the 21st century. The MSMEs sector contributes significantly to the manufacturing output, employment and exports of the country. India has always been a land of entrepreneurs and also occupied a strategic position in the Indian economy. In Modern India, more and more women are showing interest towards entrepreneurial activity in micro, small and medium scale enterprises. The role of women entrepreneurs is important part of the labor force, the economies of which cannot be isolated from the framework of development. Women MSMEs seem to plan strategically in a less structured and more informal manner than larger organizations while they might engage relatively more in an informal way of managing their activities. Entrepreneurship among women is relatively recent phenomenon. Women across India are displaying an attentiveness to be economically and socially empowered. Education and training programmes has shifted the position of women from kitchen to higher levels of professional activities. Women entrepreneurship is gaining importance in India. This paper attempts to understand the economic and social empowerment of women entrepreneurs through MSMEs.

KEYWORDS: MSMEs, Women entrepreneurs, economic and Social Empowerment

INTRODUCTION

The MSME development institute is a development institution set under the ministry of Micro, Small, and Medium Enterprises of Indian Government. They are complimentary to larger industry as ancillary units. The last five decades of MSME has seen vibrancy and dynamism in India. This sector has acted as a nursery of entrepreneurship in India and has contributed towards economic development. Micro, Small and Medium Enterprises (MSMEs) are acting as specialist and soul of economic growth in India. MSMEs are considered as the second largest source of employment after agriculture in India. A tremendous growth of small scale sector has resulted in decentralized industrial development, better distribution of wealth, investment and entrepreneurial talent. In accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 the Micro, Small and Medium Enterprises are classified into Manufacturing Enterprises and Service Enterprises. The Enterprises engaged in the manufacturing or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation Act 1951) is known as manufacturing enterprises. The enterprises engaged in providing or rendering of services and are defined in the terms

of investment in equipment are known as service enterprises. According to the Micro, Small and Medium Enterprises (MSME) Development Act of 2006, a micro enterprise is where the investment in plant and machinery does not exceed twenty five lakh rupees. A small enterprise is where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees. A medium enterprise is where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees.

The MSME sector contributes 8 per cent to GDP besides 45 per cent to the total manufacturing output and 40 per cent to the exports from country. As per all India census of MSME the size of this sector both in registered and unregistered pattern is 361.76 lakhs. The leading industrial sector in MSME are personal and house hold goods, apparel, pressing and dyeing of fur, food and beverages, service activities, hotel and restaurants, sale, R&M, vehicle and Motor cycles, Automotive fuel, furniture manufacturing, fabricated metal products, machineries and equipment, textiles.

To encourage the growth of women enterprises in the country, the ministry has launched a credit guarantee fund scheme for MSME for loan up to Rs.10 lakhs without collateral

or third party guarantee (CGTMSE), jointly by the Govt of India and SIBDI of which eight percent of guarantee cover is provided for MSME owned/operated by women. The Government of India also provides assistance to women entrepreneurs association for establishing exhibition centres at central places of cities for display and sale of products. Of the women owned MSE, 40 percent of the project cost of infrastructural development with GOI, support is also given to women for EDP training programmes conducted by the Ministry of MSE at state level by being charged 50 percent of fees. Also Rs.125 per week stipend is given to women in the stipendiary programmes. The Ministry of MSME exclusively have implemented 2 specific schemes for women-TREAD and Mahila Coir Yojana. At present, 94 companies are listed on the SME platform of BSE. These firms have risen about Rs 730 crores through initial public offerings.

Govt of India through MSME has developed the Udyami Helpline to provide assistance and guidance to prospective as well as existing entrepreneurs about opportunities and facilities available under various schemes of the Government like marketing, credit support, cluster support, technology upgradation, skill development and various other such schemes. They have also created STEP-support for training and employment programmes for women which enable income generation activities.

The status of women is very low in the family as well as in the society. Lack of adequate levels of education and technical skills makes them generally dependent either on agriculture or forests. With changing roles, women are now struggling for alternative livelihood. The need to empower women and understand their perspectives in economic and social development has been realized. With the empowerment, women can develop skills to make decisions, organize, manage and carryout activities and deal with people and institutions in the world around them. The diversities in women's conditions whether they are cultural, social, religious or simply their educational background, play a very important role in the programme of empowerment. Thus women play a participatory model of development (Sarkar. D. C, 1987). The creation of productive employment opportunities in rural areas as need to improve living conditions of rural poor in general, rural women in particular. In this regard, the Government of India is undertaking various income and employment generation programmes, with a particular emphasis on rural women.

Women across India are showing an interest to be economically independent. Women are coming forth to the business arena with ideas to start micro, small and medium enterprises. The role of Women Entrepreneur needs to be considered in the economic development of the nation for various reasons. Women Entrepreneur has been recognized during the last decade as an important untapped source of economic growth. Women Entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of Women Entrepreneurial opportunities.

OBJECTIVE OF THE STUDY

The main objective of the study is to examine the socio economic empowerment of women entrepreneurs through MSMEs.

METHODOLOGY

The study is a sample study. The sample for the study is select women entrepreneurs. For the purpose of sample, Telangana State is selected. At stage I, Mulugu district is selected. At stage II, 4 mandals are selected from Mulugu District. At stage III, 4 villages are selected from each mandal, thus 16 villages are selected from 4 mandals. At stage IV, 10 members are selected from each village. Thus 160 members are selected for participating in the study. The study is based on both primary and secondary data. Primary data is collected through a structured questionnaire by holding interviews with various respondents in local dialectic. Secondary data is collected by personal visits to the libraries and from internet.

RESULT ANALYSIS

Education Status:

In India, women's access to education is low when compared to men. The Indian Cultural values have a say in this issue. So this inequality to access to education consigns many women to lives of low status and large families (Coughlin & Thomas, 2002). This low level education gives raise to low-level self-confidence and self-reliance to the women folk to engage in business.

Thus, education is a crucial factor for developing women and also empowers them. The data relating to education status of the respondents is shown in Table-1.

Table-1 depicts the level of formal education of respondents and it reveals that a significant portion of 59 per cent is illiterates followed by members with primary education (15 per cent), secondary education (14 per cent) and Inter and above are 12 per cent. On the whole majority of the respondents are illiterates with regard to education status of members.

Table-1 Education Status of the Respondents

Education status	No. of respondents	Percentage
Illiterates	94	59
Primary	24	15
Secondary	22	14
Intermediate and above	20	12
Total	160	100

Source: Field Data

Literature supports the fact that women entrepreneurs in MSME sectors are majorly coming from low educational levels. It is a fact that literacy rate of women in general in India is found at low level when compared to male population(Dangi, 2014). And for a business success the key requirements are knowledge of modern technologies, know how, and education level of the person.

Business Activities

It has also been stated that women entrepreneurs generally venture into trade sector than manufacturing sector. Ufuk & Ozgen, 2001 found that almost 51 percent of women were in trading business and only a meagre 25 percentage of women preferred manufacturing businesses and the rest 24 percent were in the service sector when they studied women

entrepreneurs in their country-Turkey. It is evident that women would generally prefer sectors which are less complicated and simpler transactions rather than risk manufacturing which is complex and time oriented. The main business activities of the respondents are presented in Table-2.

Table-2 indicates that the majority of the respondents are in the Trade sector with 30 per cent. This is followed by

agriculture which had 26 per cent of the respondents and 20 per cent of the respondents are into the manufacturing sector. 24 per cent respondents are in service sector. Women must have self help thought to become a self employee. It can be suggested that Government should design various self employment schemes to the women so that they can develop their skills to have a professional life.

Table-2 Business Activities of the Respondents

Business Activity	No. of respondents	Percentage
Agriculture	41	26
Trading	48	30
Manufacturing	32	20
Service	39	24
Total	160	100

Source: Field Data

Startup Capital

The biggest risk faced by the women entrepreneurs was an economic risk (Ufuk & Ozgen, 2001). Also business conditions are not favorable for women in male dominated society, like dealing with men is difficult for women, lack of protection etc (Ullha, Ahmad, Manzoor, Hussain & Farooq, 2002). In addition to this, the risk is shared by the family members by supporting MSME women in their entrepreneurial activities, especially if the women are a first

generation entrepreneur; the family including her partner supports her in all the problems faced during the start-up. Family support remains a crucial factor in determining the degree to which business ownership is a positive experience for women (Mukherjee, 2010).

Respondents are also asked to state the source of capital to start up a business activity and Table-3 gives the summary data.

Table-3 Source of Startup Capital

Source of Capital	No. of respondents	Percentage
Banks	35	22
Own Savings	75	47
Family	32	20
Government Agencies	8	11
Total	160	100

Source: Field Data

From the Table-3, 22 per cent of the respondents are getting their start-up capital from banks, a majority of 47 per cent had a start-up capital from their own savings, 20 per cent of them started their business with the initial working capital provided by their family and only 11 per cent of the respondents have started their businesses financed by government agencies. This indicates that majority of the respondents manage small and micro enterprises which needs small start-up capital.

Income

Competition can be defined as too much duplication within the market so that every/many businesses are similar and undifferentiated. Every day is a competitive challenge for any entrepreneur especially so for women entrepreneurs since the sector and the kind of product she chooses would be low value and having no entry barriers. In addition to this, large enterprises along FDI pose a great challenge to women MSME entrepreneurs. Another industry related competition these women faces are the high imports products glutting the marketing in the form of dumping. Another fact to be noted is the competition is a non-controllable factor external to the enterprise, so a women entrepreneur at the best needs to face this challenge using strategies and tactics as required.

They not only have to face the competition in the industry amongst their competitors, they also have to face hard competition between the male and female entrepreneur. Even though women are better credit worthy when payments to banks and their suppliers are concerned, women have to face competition. The Government of India has announced formulation of National Competitiveness Programme in 2005 with an objective to support the Small and Medium Enterprises (SMEs) in their endeavour to become competitive and adjust the competitive pressure caused by liberalization and moderation of tariff rates. Ten schemes have been drawn up including schemes for promotion of ICT, mini tool room, design clinics and marketing support for SMEs.

Industry offers a variety of products and services which are promoted using modern techniques and strategies. In the face of this women in MSME having less access to finance will not be using modern techniques and are also very small when compared to large organisation. There is a close relationship between level of income and competition faced by the respondents. Infact, it is the risk-taking person who earns a profit and improves financial position. Thus, one reinforces the other and ultimately it is the financial position and flow of income (Skarlatos, K., 2004). The data relating to income wise distribution of members is shown in Table-4.

Table-4 Annual Income Level of the Respondents

Annual Income	No. of respondents	Percentage
Below - 40000	64	40
40001 - 60000	22	14
60001 - 80000	26	16
Above 80000	48	30
Total	160	100

Source: Field Data

The data shown in Table-4 reveals that the respondents who earn below Rs.40000 are 40 per cent, income of 14 per cent respondents is between Rs.40001 – 60000, income of Rs.60001 – 80000 accrue to 16 per cent respondents and 30 per cent respondents earn income above Rs.80000. It is observed that the respondents are earning income and contributing to the family for the development.

Entrepreneurial Skills

Like men entrepreneurs, women entrepreneurs also have an equal role in the nation's development. By starting enterprises, exploring new markets, innovating new products and techniques and giving employment to people, women entrepreneurs will be able to add to the growth and prosperity of the nation (A.V.Hemalatha, 2012). NGOs as the promotional agencies play a vital role in providing training programmes to develop entrepreneurial skills of women. The Entrepreneurial skills of the sample respondents are presented here in Table-5.

Table-5 Entrepreneurial Skills of the Respondents

Indicator	Before Training	After Training
Time Management	25 (16)	135 (84)
Strategic thinking	45 (28)	115 (72)
Net working	32 (20)	128 (80)

Source: Field Data

The analysis of the Table-5 reveals that 84 per cent of the respondents admit that their time management skills have been increased after going through the training. On Strategic thinking, 72 per cent of the respondents have been able to think strategically after going through series of entrepreneurial training, however; only 28 per cent of the respondents are able to think strategically before the training programme. Finally, the 80 per cent of the respondents are growing network facilities to increase the business opportunities after training period. The results indicate that participation in training programme leads to significant improvement in performance of businesses of respondents.

Social Empowerment Skills

Empowerment of women is basically influenced by the socio-economic status of women. The socio-economic status would therefore, be the ranking of an individual by the society who lives in, in terms of their material belongings and their cultural possessions. Every development programme initiated in our country, has stressed on the importance of raising the status of women (Kabeer, Naila, 2005). Social empowerment is understood as the process of developing a sense of autonomy and self confidence and acting individually and collectively to change social relationships. In this context, it is necessary to analyze the social empowerment of women, so as to understand their levels of empowerment.

The level of social empowerment of the respondents is presented here in the Table-6.

Table-6 Social Empowerment Skills of the Respondents

Skill	Before Start up an Enterprise	After Start up an Enterprise
Self Confidence	76 (48)	142 (89)
Socializing	92 (58)	138 (86)
Leadership	53 (33)	148 (93)
Decision making	78 (49)	154 (96)

Source: Field Data

The study in Table-6 reveals that 89 per cent of the respondents have self confidence after they start up an enterprise, where as only 48 per cent with self confidence before they became an entrepreneur. 86 per cent of the respondents are now able to socialize publicly; however, it was found out that only 58 per cent could participate in social activities prior to become entrepreneurs. With regard to leadership skills, only 33 per cent of the respondents said that they have leadership skills before they start a business and it is increased to 93 per cent after they become an entrepreneur. It was also known that 96 per cent of the respondents could make business and family's important decisions now due to self confidence. The respondents confessed that their perception about women in general has changed from those days when they had to sit back and watch the men make all decisions and cater for the development of

the entire family, community and the nation, to a time where they can also contribute their meaningful quota to socio-economic development.

CONCLUSION

In India, it gives a great confidence and exposure for women entrepreneurs starting a MSME to the outside world of business exposing them to the financial, marketing, competition and operations which otherwise they would not be exposed to. This exposure of running and an owning an MSME creates in them a greater degree of self-reliance enhancing women self-image. The autonomy enables women to exercise more influence over the events of own life, there by empowering women. Government too has taken many initiatives for the growth of women entrepreneurs. Micro, small and medium-sized enterprises (MSMEs) are a crucial

source of employment, innovation, and economic development. There is a growing need to improve economic and social performance calls of the needs of woman-owned MSMEs. This is so because women conduct business differently from men and is a real potential source of innovation in terms of management, style and services rendered to the community and the society as a whole.

One of the strong reasons for promotion of women entrepreneurs is to make women financially independent. Financial position becomes strong only when women are directed to take up profit making professions. The poor financial status, poor educational background and lack of proper encouragement are the hurdles to become entrepreneurs. There is a need to create increased awareness among the rural women regarding the benefits of enterprises. For this, the promotional agencies should come forward to conduct programmes for imparting training and motivation to women. Government should take steps to provide appropriate technology, know-how and institutional support for furthering of interest in the rural women. It can be concluded that MSME's are contributing to the economic growth and social empowerment of women.

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