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## 11. WOMEN EMPOWERMENT THROUGH ENTREPRENEURSHIP DEVELOPMENT IN MICRO SMALL AND MEDIUM ENTERPRISES (MSMES) IN INDIA: AN EXPLORATORY STUDY

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**Abstract:** The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. According to of statistics women in India 2010, proportion of female main workers to total population in percentage is 16.65 in rural areas and 9.42 in urban areas this shows overall less contribution of women in work but more percentage of women workers in rural areas. According to the quick result of the Fourth All India Census of MSMEs (2006-07), there are 26 million MSMEs in India which provides employment to about 60 million people. The sector contributes about 40 % GDP, beside 45% to the total manufacturing output and 40 % to the exports from the country. There could be many opportunities identification hidden inside the challenges for small business concerns. This paper examines various opportunities and challenges for Women Entrepreneurship Development in Micro Small and Medium Enterprise. More precisely the paper explores, rewards for starting a small business, myths about small businesses, new opportunities, four forms of entrepreneurship, identification practices among first generation and major challenges in small business.

**Keywords:** Empowerment, Micro Enterprise, Micro Credit, Rural Entrepreneurship, Self Help Groups, Women Entrepreneurs, Rural Development.

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## FULL TEXT

### 1. Introduction

“Entrepreneurship is a purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize profit oriented business unit for the production and distribution of economic goods and Service.”- A. H. Cole

The word entrepreneurship means has its origin in French Language which refers to organizers of musical or other entertainment. An entrepreneur is a person who has already started or is in the process of starting an enterprise.

### 2. Definitions of Entrepreneurship

Chandler (1990:8) defines entrepreneurship as dealing with uncertainty, making a distinction between risk, which can be calculated, and uncertainty which can't be overcome.

Peter Drucker defined entrepreneurship as 'a systematic innovation, which consists in the purposeful and organized search for changes, and it is the systematic analysis of the opportunities such changes might offer for economic and social innovation.'

Schumpeter describes the entrepreneur as the bearer of the mechanism for change and economic development, and entrepreneurship as the undertaking of new ideas and new combinations, that is innovations.

Drucker describes the entrepreneur as a person who is willing to risk his capital and other resources in new business venture, from which he expects substantial rewards if not immediately, then in the foreseeable future.

### 3. Literature Review

Murthy (1989) stated that the concept of entrepreneurship as an organized knowledge came into being about hundred years ago. Though, the economists from Adam Smith to Marshall were talking about it, but without assigning the name of entrepreneurship. They used the terms as employer, the master, the merchant and the undertaker for carrying out different entrepreneurial activities now comprising of entrepreneurship. It was Eantillon,

who first brought out the term entrepreneur and entrepreneurship was recognized in economic literature.

The traditional neoclassical theory of economic growth was first developed by Robert Solow in his 1956 paper "A Contribution to the Theory of Economic Growth" (Todaro and Smith, p. 128 and p. 139). In this paper, Solow argues that economic growth is a function of two inputs- the levels of capital and labour in a given area. The exact nature of this function is determined by the technological possibilities available to the society in question (Solow, p.66). Thus, under this theory, the economic growth of a given country is determined by the amounts of labour and capital that country possesses and the technological possibilities to which that country has access (i.e., the level of knowledge within that country).

Richard T. Ely and Ralph H. Hes, (1937) stated that the entrepreneur organizes and operates an enterprise for personal gain. He pays current prices for the materials consumed in the business, for the use of the land, for the personal services he employs, and for the capital he requires. He contributes his own initiative, skill, and ingenuity in planning, organizing, and administering the enterprise. He also assumes the chance of loss and gain consequent to unforeseen and uncontrollable circumstances. The net residue of the annual receipts of the enterprise after all costs have been paid, he retains for himself.

#### **4. Objectives of the Study**

The objectives of the papers are as follows:

- To brief up the endeavor of MSME
- To explore the concept of women entrepreneurs
- To describe present status of women entrepreneurs in MSME
- To give suggestions for growth of women entrepreneurs in MSME

#### **5. Research Methodology**

This research is exploratory by nature whereby the phenomenon in question has been tried to explore in order to give insight of phenomenon. The study is based on the Women Empowerment through Entrepreneurship Development in Micro Small and Medium

Enterprises in India. The earlier researches have been utilised to attain the objectives of the study.

### **6. Micro, Small and Medium Enterprises for Rural Women**

Enterprises from small scale to medium scale grouped together are called “Micro, Small and Medium Enterprises” (MSME). MSME is defined in India like this: “The Micro, Small and Medium Enterprises Development Act, 2006” of Government of India. According to the act MSMEs micro enterprise is classified on the basis of capital investment does not exceed ₹. 2.5 million in manufacturing sector and ₹ 1 million for service sector. Micro enterprise is an effective instrument of social and economic development. It helps to generate employment for a number of people within their own social system.

This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock task. The micro entrepreneurships are strengthening the women empowerment and remove the gender inequalities. Self Help Groups micro credit mechanism makes the members to involve in other community development activities. Micro credit is promoting the small scale business enterprises and its major aim is to alleviate poverty by income generating activities among women and poor. Therefore, they could achieve self-sufficiency.

### **7. Areas of Micro-Enterprise Development**

Depending on number of factors ranging from landholdings, subsidiary occupations, agro climatic conditions and socio-personal characteristics of the rural women and her family member the areas of micro-enterprises also differ from place to place. The micro enterprises are classified under three major heads:

1. Micro Enterprise development related to agriculture and allied agricultural activities like cultivating to organic vegetables, flowers, oil seeds and seed production are some of the areas besides taking up mushroom growing and bee keeping. Some more areas can be like dehydration of fruits and vegetables, canning or bottling of pickles, chutneys, jams, squashes, dairy and other products that are ready to eat. This is common form of micro enterprise in rural areas.



2. Micro-enterprise development related to livestock management activities like dairy farming, poultry farm, livestock feed production and production of vermin composting using the animal waste can be an important area in which women can utilize both her technical skills and raw materials from the farm and livestock to earn substantial income and small scale agro-processing units.

3. Micro-enterprise development related to household based operations, It is generally handicraft related enterprises where women perform activities like knitting, stitching, weaving, embroidery etc.

#### 4. Advantages of Micro Enterprise in Empowering Women

A micro enterprise is not only enhancing national productivity, generate employment but also helping to develop economic independence, personal and social capabilities among rural women. Following are some of the personal and social capabilities, which were developed as result of taking up enterprise among rural women:

- Economic freedom
- Improved standard of living
- Self-confidence
- Enhance awareness
- Sense of achievement
- Increased social interaction
- Engaged in political activities
- Increased participation in social meetings
- Development in leadership qualities
- Involvement in solving problems related to women and community
- Decision making capacity in family and community

## **5. Women Empowerment and Rural Entrepreneurship**

The word empowerment means giving power. According to the International Encyclopedia (1999), it means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. Therefore, women empowerment means giving the capacity and means to direct women's life towards desired goals. Empowerment is a process by which women gain greater control over resources (income, knowledge, information, technology, skill and training), challenge the ideology of patriarchy and participate in leadership, involve in decision-making process, enhances self-image, to become active participants in the process of change and to develop the skills to assert themselves.

Entrepreneurship may be a force that mobilizes other resources to meet unmet market demand, the ability to create and build something from practically nothing. It is a process of creating value by pulling together a unique package of resources to exploit an opportunity.

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. According to of statistics women in India 2010, proportion of female main workers to total population in percentage is 16.65 in rural areas and 9.42 in urban areas this shows overall less contribution of women in work but more percentage of women workers in rural areas.

Women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision making status in the family and society as a whole. They were engaged in starting individual or collective income generation programme with the help of self-help group.

## **6. Women Entrepreneurship and Government Policies**

The industrial enterprises play a vital role in fulfilling of women needs. The prevalent social structures of today, because of historical reasons have prevented the balanced development

of women along with men. What, is to be sought for as a remedy, is to provide positively discriminatory opportunities for women along with men.

We are not in a position to understand the productive rate of women in the economic in its full sense. The productive rate of women means their contribution to the productive system in various ways. It can mean the employment of women as workers as well as their rate as entrepreneurs is 16.5 % of the total work force. It comprises much too low by various to the data available from the census of India.

The second stream of thought relates to the argument for autonomy of women. The argument is that, women entrepreneurs be treated with and assumed Equal status with men is society. These should be strong efforts to develop women entrepreneurship on for with those of men.

## **7. Association Promoting Women Entrepreneurs**

A brief analysis of various associations and agencies that are functioning at State and national levels to promote women entrepreneurs are discussed as follows:

### **7.1 SELF-HELP GROUPS (SHGS)**

This is an association of small group of self-employed rural or urban women entrepreneurs who join together to take care of group welfare. The group with the help of financial institutions and other NGOs get their needs satisfied. This is a voluntary association. Each member contributes little amount of cover seed money. Rest will be taken care off by NGOs and Government.

### **7.2 FEDERATION OF INDIAN WOMEN (FIWE)**

It is the outcome of resolution passed in 4th International Conference Women Entrepreneurs held at Hyderabad. This was founded in the year 1993. It mainly interacts with various women association of the country through network to facilitate the member in diversified activities.

### **7.3 WOMEN'S INDIA TRUST (WIT)**

This trust was established in 1968. The trust was started with the main objective of helping woman entrepreneurs. Establishing Kamila Trust in U.K. in 1994 to market the products of

WIT members a shop in London under the name “Kashi” and extended export activities to Australia, Europe and Germany from 1995.

#### **7.4 SIDBI**

Small Industries Development Bank of India (SIDBI) is institution established at the national level to provide facilities so small scale industries. As a part of developing small industries by woman entrepreneurs, SIDBI has introduced two special schemes for women;

1. Mahila Udyam Nidhi to provide equity to women entrepreneurs and
2. Mahila Vikas Nidhi to provide development assistance for pursuit of income generating activities to women.

#### **7.5 SIDO**

Small Industries Development Organization (SIDO) is conducting various half programmes including Entrepreneurship Development Programmes (DEPs) for women. To later she needs of potential women entrepreneurs, who may not have adequate educational background and skills; SIDO has introduced product orient EDPs in areas like TV repairing, printed circuit boards, leather goods, screen printing etc.

#### **7.6 CONSORTIUM OF WOMEN ENTREPRENEURS IN INDIA (CWEI)**

The CWEI is a voluntary organization consisting of NGOs, SHGs, voluntary Organization and individual business units. This came into being in 2001. The objective is to be providing technology up gradation facilities to women entrepreneurs and other facilities in marketing, finance, HRD and production. The consortium is also having international business connections and provides its members marketing and export support through this connection.

#### **7.7 NABARD**

National Bank of Agriculture and Rural Development (NABARD) is an autonomous financial institution provides liberal credit to rural women entrepreneurs.

#### **7.8 CENTRAL AND STATE GOVERNMENT SCHEMES**

State Government has come out with several schemes to develop women entrepreneurs. Development of Women and Children in Rural Areas (DWCRA) a scheme designed for State

governments were implemented in 1982-83. Uncountable women throughout the country have availed the facilities to develop themselves as entrepreneurs.

### **7.9 SELF-EMPLOYED WOMEN'S ASSOCIATION (SEWA)**

SEWA is a trade union of women which was registered in 1972 under Trade Union Act. The members of SEWA has extended its operations to the global level and has the opportunity of receiving grants from international organizations such as Ford Foundation, UNICEF, ILO, etc. and Government of India is also providing funds to this organization.

### **8. CHALLENGES AND OPPORTUNITIES FOR RURAL ENTREPRENEURS**

Kishor and Choudhary (2011) in his study emphasize on the role of women entrepreneurs, as they have been making a significant impact in all segments of the economy in India, However, it is potentially empowering and liberating only if it provides women an opportunity to improve their well-being and enhance their capabilities. On the other hand, if it is driven by distress and is low public support than it may only increase women drudgery. The small and medium enterprises led by women experiencing some major challenges and constraints.

Kumari et. al. (2010) conducted work in the rural areas; the results of the study indicate lack of supportive network, financial and marketing problems were the major problem areas for rural women entrepreneurs and major de-motivator for other women to initiate entrepreneurial activity.

Srinivasan (2009) argued that micro-finance has made great strides during the last decade, the SHG bank linkage programme has continue to make good progress in India but at a slower pace. It is found that poor quality of information about microfinance that is available to people renders their decision making and conservatives.

### **9. Challenges for Rural Entrepreneurs**

The main challenges faced by rural women in business are lack of technical knowledge and skills and to make balance their time between work & family. Some of the challenges faced by rural entrepreneurs are as follows:

### **9.1 DUAL ROLE OF WOMEN OVERLAPPING OF RESPONSIBILITY OF BUSINESS AND FAMILY**

As the boundaries between the business and the family tend to be indistinct, women operating family businesses face a unique set of issues related to personal identity, role conflict, loyalties, family relationships, and attitudes towards authority.

Additionally, family businesses owned by women are at a disadvantage financially and are forced to rely on internal resources of funding rather than outside sources.

### **9.2 PROBLEM OF FINANCE**

There are several bottlenecks and a gap in availability of credit for women. The multiplicity of schemes is not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are not made aware of the best option for their requirements.

### **9.3 ILLITERACY AMONG RURAL WOMEN**

The literacy rate of women in India is found at low level compared to male population. The rural women are ignorant of new technology or unskilled. They are often unable to do research & gain the necessary training. The uneducated rural women do not have the knowledge of measurement and basic accounting.

### **9.4 LESS RISK BEARING CAPACITY**

Women in India lives secure and protected life in family. Decision making power related to business activities is less due to economic dependent and domination of male headed society.

### **9.5 LACK OF VISIBILITY AS STRATEGIC LEADERS**

Changing the perceptions about the likely success of women-owned businesses depends on increasing women's visibility in leadership positions within the greater business community. In an assessment of women's presence as CEOs or Directors of large business enterprises, it has-been anticipated that the exodus of women to entrepreneurial growth firms might be because women believe that have greater representation in strategic leadership positions in privately-held or family-owned firms as they provide better opportunities for leadership than available to women in publicly-traded companies.

## **9.6 LACK OF INFORMATION AND ASSISTANCE**

Another significant need of many women business owners is obtaining the appropriate assistance and information needed to take the business to the next level of growth. In a study conducted to gather information needs of women entrepreneurs, those who were just starting their ventures, requested assistance and training in implementing the business idea, identifying initial sources of financing, and advertising/promotion. The entrepreneurs, who were already established, had a somewhat different set of needs including financing for expansion and increasing sales. It has been identified that most desired needs of fast growth entrepreneurs may be:

- Optimum use of capital to make operational decisions
- Financing growth
- Increasing the value of the business
- Compensation for self and associates
- Hiring, training and motivating for growth
- Succeeding in a rapidly changing world
- Successful selling
- Sales force management
- Management success
- Scanning of business environment

## **9.7 NEED OF TRAINING AND DEVELOPMENT**

Furthermore, in business schools where most of the professional advisers today were trained, the male model of business is still being taught by an overwhelming majority of male professors. Examples of women entrepreneurs have been left out of textbooks, and rarely is a female business owner used as the example or case study. Neither the women nor the men students are learning about the natural abilities and talents women are using to



succeed as business owners today. Unfortunately, without some very strong initiatives on the part of educators, the process will be slow to change.

### **9.8 MALE DOMINATED SOCIETY**

The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.

### **9.9 LACK OF INFRASTRUCTURE AND WIDESPREAD CORRUPTION**

These are also the other problems for the rural women entrepreneurs. They have to depend on office staffs and intermediaries to get the things done, especially the marketing and sales side of business. Here is the more probability for business fallacies like the intermediaries take major part of the surplus or professional dependence.

Rural women lack training and advisory services on managerial and technical skills to solve production problems. Here more than 70 percent of enterprises are micro- and small enterprises but their growth and the competitiveness is greatly challenged by a lack of business management, marketing and technical skills besides the overall weak infrastructure and complicated legal frameworks for business processes, especially in global online transaction context.

### **9.10 MOBILITY CONSTRAINTS**

Rural women in Indian society have got restricted mobility. The carrier of women is limited in four walls of kitchen. The women confined themselves to three Ks, Kitchen, kids & knitting. There are hardly any opportunities to cross this boundary. The mobility problem has been solved to certain extent by the explosion of Information technology & telecommunication facilities.

## 10. Opportunities for Rural Entrepreneurs

There is generous evidence to suggest that if more women are motivated and are given the necessary encouragement and help for becoming entrepreneurs, they would contribute effectively in running viable commercial enterprises. There are several schemes and plans both by centre and state government at different levels for the encouragement and support to rural women entrepreneurs in India. In 1999-2000, the Government of India launched “Swarna Jayanthi Grama Swarozgar Yojana” programme for promoting poverty alleviation through self-employment and the organization of poor into Self-Help Groups (SHGs).

Loans sanctioned under this scheme are treated as medium-term loans. The SHGs have given a new lease of life to the women in villages for their social and economic empowerment. There is national policy for creating an environment through positive economic and social policies for full development of women to enable them to realize their full potential.

These policies provide opportunities of equal access to participation and decision making of women in social, political and participation in economic progress of the nation. There are diversified vocational training programmes for women by ministry of labour and employment, they have established regional vocational training institutes for development of entrepreneurial skills Following are the major programs for development of entrepreneurship in India:

**Integrated Rural Development Programme (IRDP):** The main objectives of Integrated Rural Development Programme are to increase the income generating power of family who are below the poverty line to alleviate the poverty.

They impart technical & entrepreneurial skills & raise the income level of the poor.

- IRDP (Integrated Rural Development Programme) allied programmes
- TRYSEM (Training Rural Youth for Self Employment)
- DWCRA (Development of Women and Children in Rural Areas)
- JRY (JawaharRozgarYojna): It is wage Employment programme implemented by Panchayats at Village, Block & District level in the ratio. 70:15:15 etc.

- Support and Training and Employment Programme for Women (STEP)

### **11. Programmes by Ministry of Rural Development**

- Swarnjayanti Gram Swarozgar Yojana (SGSY)
- Sampoorna Grameen Rozgar Yojana (SGRY), including Food Grains Component
- Assistance for Rural Employment Guarantee Schemes
- National Social Assistance Programme (NSAP)
- National Rural Employment Guarantee Act (NREGA)
- National Food for Work Programme (NFWP)
- National Common Minimum Programme (NCMP)

### **12. Programmes by Ministry of Micro, Small and Medium Enterprises**

- Credit Support Programme
- Rajiv Gandhi Udyami Mitra Yojana
- Prime Minister's Employment Generation Programme
- Work shed Scheme for Khadi Artisans

### **13. Conclusion**

- So many support schemes have been implemented by the agencies of the Ministry of Rural Development and Ministry of Micro, Small and Medium Enterprises.
- The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth.
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2010, proportion of female main workers to total population in percentage is 16.65 in rural areas and 9.42 in urban areas this shows overall less contribution of women in work but more percentage of women workers in rural areas.

- Rural women entrepreneurs face lots of challenges like business and family conflict, financial crisis, illiteracy, low risk bearing capacity, lack of visibility and leadership, lack of information and assistance, lack of training and development, mobility constraints, lack of infrastructure, high level of corruption, male dominated society etc. which makes their work very difficult and discouraging.

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