Women Entrepreneurship and Growth and Performance of MSMEs in India

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Abstract:
In the 21st century, Micro, Small and Medium Enterprises (MSMEs) are acting as specialist and soul of economic growth in India as well as in the world. Micro, Small and Medium Enterprises (MSMEs) play a dominant role in the economic development of a country. MSMEs have been largely recognized as a foundation stone for the industrial development of any country. These enterprises contribute about 90 per cent of the business worldwide. In India, it has been a perception that women can only play the role of housewives who can only take care of their home and family.

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. Gender equality and economic development are the two sides of the same coin. However the entrepreneurial procedure is the same for men and women, there are however, in practice, many problems and challenges are faced by women, which are of unalike dimensions and magnitudes, which inhibit them from apprehending their full potential as entrepreneurs.

INTRODUCTION
In the 21st century, Micro, Small and Medium Enterprises (MSMEs) are acting as specialist and soul of economic growth in India as well as in the world. Micro, Small and Medium Enterprises (MSMEs) play a dominant role in the economic development of a country. MSMEs have been largely recognized as a foundation stone for the industrial development of any country. These enterprises contribute about 90 per cent of the business worldwide. MSMEs has a very vital role to play in the progress of the country. MSMEs are considered as the second largest source of employment after agriculture in India. This sector produces a mixture of industrial products such as food products, beverages, tobacco and goods produced from it, cotton textiles and wool, silk, synthetic products, jute and jute products, wood and wood products, furniture and fixtures, paper and goods produced from it. Thus, it can be said that Micro, Small and Medium Enterprises are the engines for driving the vehicle of economic growth of a country.

Definition of MSME
In accordance with the provisions of Micro, Small and Medium Enterprises Development Act 2006 the Micro, Small and Medium Enterprises are classified into two classes.

A. Manufacturing 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) the manufacturing enterprises are defined in the terms of investment in plant and machinery.

B. Service Enterprises: - a. The enterprises engaged in providing or rendering of services and are defined in the terms of investment in equipment.

b. The limit of investment in plant and machinery/equipment for manufacturing/Service Enterprises as notified.

REVIEW OF LITERATURE
Subramanyam and Reddy (2012) presented an overview of Micro, Small and Medium Enterprises (MSMEs) in India. The study analysed the performance of MSMEs in India. It made a comparison of the growth of MSME sector with overall industrial sector and also investigated into the sickness of MSMEs. The study found that MSME sector has contributed significantly to India’s Gross Domestic Product and export earnings. It also found that sickness in Industry doesn’t occur overnight rather it takes 5 to 7 years to erode the health of an industrial unit.

Kumar and Gugloth (2012) evaluated the performance of MSMEs before and after liberalization. The study also analysed the impact of globalization on the performance of MSMEs and made a comparative analysis of the growth pattern of key parameters between pre and post globalization period. It took a period from 1999 to 2010 for the analysis. It also focused on the on-going changes in the
business environment. The study found that the small scale sector has grown rapidly over the years. It also found that the period of liberalization and the development of MSMEs sector constituted an important segment of our economy.

Singh and Raina (2013) described the problems and challenges faced by women entrepreneurs in India and also analysed the policies of Indian government for women. The study mainly focused to find out the status of women entrepreneurs in India. The study found that in modern India, more and more women are taking up entrepreneurial activity especially in MSMEs. It also observed that Indian women have imprinted a position for themselves in the male dominated world. It further showed that Indian women can well manage their household work as well their workplace deadlines.

Benard and Victor (2013) examined the growth of women entrepreneurs in Dar es Salaam city of Tanzania on strengths, weaknesses, opportunities and threats. It used a sample of 130 women entrepreneurs and simple random sampling technique for the selection of sample. The study found that a major strength was the need for financial independence for women entrepreneur. It also observed that the major opportunity was the desire to own boss which leads to women entrepreneurship. It further found that the weakness was that most women lack entrepreneurs fail because of lack of education and the major threat to be the pressure of child care in the family. Jayan (2013) analysed women entrepreneurship in MSMEs and the relationship between industries related factors and success of entrepreneurs with special reference to Coimbatore city. The study identified that the factors which motivate women to become a successful entrepreneurs are achievement motivation and human relation.

- To study the growth and performance of MSME Sector in India.
- To study the Current Scenario of women entrepreneurs 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.

Current Scenario of Women Entrepreneurs in India

The word entrepreneur is derived from the French word “entrepreneur” 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. Entrepreneurship amongst women is a fairly recent phenomenon. Women Entrepreneurship plays a crucial role in Industrial development. Women Entrepreneurs also have many functions to perform as performed by male entrepreneurs. They should discover the visions of opening new enterprise, undertake risks, introduction of new inventions, manage administration and control of business and provide active leadership in all aspects of business.

Women entrepreneurs are influenced by both push and pull factors. Pull factors comprise of aspirations for autonomy and independence, personal satisfaction and achievement, or search for a challenge, challenging/rejecting gender stereotypes, gap in the market, etc. Push factors comprise of dissatisfaction with the labour market, need for greater income, unemployment, desire for a better life or higher earnings, financial incentive and motivation from government/schemes for assistance, attraction of high profit margins, etc.

Women Entrepreneurship in India: Problems and Challenges

Though, in practice, the same entrepreneurial process is followed for both men and women but there are many problems and challenges which are being faced by women entrepreneurs in India. These problems and challenges are:-

- Male Dominated Society
- Distrust in the Entrepreneurial abilities of Women
- Inadequate Financial Resources and Working Capital
- Family Obligations
- More Importance to Family Ties and Relationship
- Lack of Managerial Skills
- Hard Competition between male and female
- Low Mobility
- Lack of Knowledge of Availability of Raw-materials
- Lack of Education
- Inability to take risks
- Managing Employees
- Inefficient arrangements for Marketing and Sales

Government Initiatives for Women Entrepreneurs in India

The government of India and the various state governments have come up with policies and programmes
to assist women entrepreneurs and help in solving the above stated challenges and problems which they face. A brief 1. **Policy Initiatives:** Government of India is committed to develop MSMEs in general and women entrepreneurship in particular. In a broad manner the government has implemented the MSME Development Act 2006 which has already come into effect. There is a provision to reserve items exclusively for the MSMEs. At present 20 items are reserved for these sectors.

2. **Role of the Ministry of MSME:** The Ministry of MSME is primarily set up to assist various states and Union Territories in the effort to promote growth and development of MSME in general. The two specific schemes to assist the women entrepreneur (a) The Scheme of Trade Related Entrepreneurship Assistant and Development TREAD and (b) Mahila Coir Yojana.

3. **Entrepreneurship Development Programme (EDP):**
   The Government also announce from time to time Entrepreneurship Development Programme (EDP) especially for the first generation of women who desire to be entrepreneur.

4. **Prime Minister’s Employment Generation Programme (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.

**References**


5. **The Ministry of Women and Child Development of Government of India** does play an important role for all round development of women and provides support to women to empower themselves. It has launched the National Mission for Empowerment of Women (NMEW) in March, 2010. The mission has the network of various State Mission Authority (SMAs) at state level.

6. **Other schemes operated by different departments and ministries** are: Management Development Programmes, Women’s Development Corporations (WDCs), Marketing of Non-Farm Products of Rural Women, Assistance to Rural Women in Non-Farm Development (ARWIND) Schemes, Micro Credits Scheme etc.

**CONCLUSION**

It can be concluded that Micro, Small and Medium Enterprises are contributing to the economic growth and development of Indian economy. Women Entrepreneurs who were traditionally kept behind the four walls of their houses, now in modern society are capable of managing both their family and business. 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.


[12] www.msme.gov.in
