

## “Women Entrepreneurs in Micro, Small and Medium Enterprises”

**K.Anupama<sup>1</sup>**

Associate Professor of English, Badruka College of Commerce and Arts

**Rashmi Dhodapkar<sup>2</sup>**

Assistant Professor of Management, Badruka College of Commerce and Arts

**Archana A Ramesh<sup>3</sup>**

Assistant Professor of Commerce, Badruka College of Commerce and Arts

### ABSTRACT

Most people consider women to be homemakers who are not really interested in business or the economy. In the social sciences as well as in general society, the subject of women in entrepreneurship has received very little attention. In addition to having lower rates of entrepreneurship participation than males, women also typically choose to launch and run businesses in distinct industries from those that men typically do. It's not an easy move to go from homemaker to well-educated businesswoman. However, this image is evolving. Women are becoming more and more entrepreneurs in modern India, particularly in micro, small, and medium-sized businesses. In India, more and more women are expressing a desire for financial independence. Indian women are no longer viewed as stunning centerpieces. They have made a name for themselves in a world where men predominate. Indian women are adept at handling the responsibilities of running the home and making deadlines at work.

Economic growth and gender equality go hand in hand. Even though the process of becoming an entrepreneur is the same for men and women, women often face a variety of obstacles that limit their ability to reach their full potential. These obstacles can vary in scope and severity. This study article's main goal is to ascertain the situation of women entrepreneurs in India. In addition to analysing the Indian government's initiatives for women, this article discusses the issues and difficulties experienced by female entrepreneurs.

**Keywords: Women entrepreneurs, Economic development, Challenges, Independent, Gender equality.**

### INTRODUCTION

The micro, small and medium scale enterprises (MSMEs) have been generally acknowledged as the bedrock of the industrial development of any country.

In India, the micro, small, and medium-sized enterprise (MSMEs) sector is crucial to the nation's development. After agriculture, MSMEs account for the second greatest share of employment in India. They produce over 6000 goods and contribute for about 40% of industrial production, 95% of industrial units, and 34% of exports. This industry produces a wide range of industrial items, including food products, beverages, tobacco products and goods made from them, cotton textiles and wool, silk, synthetic products, wood and wood products, furniture and fittings, paper and products made from it, and jute and jute products. Other services also include machinery, apparatus, appliances and electrical machinery. This sector also has a large number of growing service industries.

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

(a) **Manufacturing Enterprises:** The enterprises engaged in the manufacture 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 terms of investment in Plant & Machinery.

(b) **Service Enterprises:** The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipments.

A micro enterprise in India is defined as one where the investment in plant and machinery does not exceed twenty-five lakh rupees, as per the Micro, Small and Medium Enterprises (MSME) Development Act of 2006. When a company invests more than twenty-five lakh rupees but less than five crore rupees on plant and machinery, it is considered small. When an organization invests more than five crore rupees but less than 10 crore rupees in plant and machinery, it is

considered a medium enterprise. In the case of the enterprises engaged in providing rendering of services;

- A micro enterprise is where the investment in equipment does not exceed ten lakh rupees.
- A small enterprise is where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees.
- A medium enterprise is where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

There has been much emphasis on the dynamic role that micro, small, and medium-sized businesses play in emerging nations. These businesses have been regarded as the key to achieving these nations' development objectives, which include rapid industrialization, job creation, and poverty reduction. It has long been acknowledged that small and medium-sized businesses in developing nations can play a more pivotal role as the means by which these nations might accomplish their goals for economic progress. In many developing nations, they have the potential to be providers of both revenue and employment.

**Some of the organisations that are associated with MSMEs:** Small Industries Development Organisation (SIDO), Small Scale Industries Board (SSIB), National Small Industries Corporation Ltd. (NSIC), Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI), PHD Chamber of Commerce and Industry (PHDCCI), Associated Chamber of Commerce and Industry of India (ASSOCHAM), Federation of Indian Exporters Organisation (FIEO), World Association for Small and Medium Enterprises (WASME), Federation of Associations of Small Industries of India (FASII), Consortium of Women Entrepreneurs of India (CWEI), Laghu Udyog Bharti (LUB), Indian Council of Small Industries (ICSI), Indian Institute of Entrepreneurship (IIE), National Institute of Small- Industry Extension Training (NISIET), National Backward Caste Finance Development Corporation, National Institute for Entrepreneurship and Small Business Development (NIESBUD), Small Entrepreneurs Promotion and Training Institute (SEPTI), Small Industries Development Bank of India (SIDBI) etc..

### **WOMEN ENTREPRENEURS: CURRENT SCENARIO**

Women's entrepreneurship has drawn attention recently. A group or individual of women who launch, plan, and run a business venture are known as women entrepreneurs. According to the Indian government, a women-owned and managed business is one in which at least 51% of the capital is owned by women, and at least 51% of the jobs created by the business are held by women. A woman entrepreneur serves several purposes, just like a male entrepreneur. They ought to investigate the possibilities of launching a new company; take calculated risks;

Through productive work they do outside the home, women are essential to the effort to reduce poverty. While improving family health, empowering women's economic position, and reducing poverty are among the developmental aims and targets, expanding women's participation in micro, small, and medium-sized enterprises is another. Women's entrepreneurship deals with both the situation of women in society and the role of entrepreneurship in that same society.

Approximately 50% of people on the planet are women. And the same is true in India. As a result, they are thought of as the better half of society. In previous societies, they were restricted to carrying out household chores inside houses' four walls. They have left the four walls to engage in a variety of activities in today's society. Indian women are no longer viewed as stunning centrepieces. They are also reaping the benefits of globalisation, which is having an impact both locally and globally.

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. They are willing to be inspired by role models- the experience of other women in the business arena.

The myth that women cannot engage in productive employment needs to be dispelled. They can be encouraged to set up small and medium scale industries on their own initiative. Entrepreneurship development for women is an important factor in economic development of India.

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.

### **CATEGORIES OF WOMEN ENTREPRENEURS**

There are three categories of women entrepreneurs, i.e. "chance", "forced" and "created" entrepreneurs. These different categories are based on how their businesses got started, or what are their main reasons or motivations to open their own businesses.

- I. Chance entrepreneurs are those who start a business without any clear goals or plans. Their businesses probably evolved from hobbies to economic enterprises over time.
- II. Forced entrepreneurs are those who were compelled by circumstances (e.g., death of a spouse, the family facing financial difficulties) to start a business, their primary motivation, hence, tend to be financial.
- III. Created entrepreneurs are those who are "located, motivated, encouraged and developed through, for instance, entrepreneurship development programs.

### **THE WOMEN ENTREPRENEURS OF THE 21<sup>ST</sup> CENTURY**

This is the century of telecom, IT and financial institutions. Many of these new industries are headed and guided by women who are seen as pioneers. The transition to the new millennium is where the women will create new paradigms of being a daughter who takes the responsibility of her parents, is a wife who wishes to create a home and a family, a mother who takes charge of the children to make them the children of the new millennium. She is also the entrepreneur who builds an enterprise and discovers her relevance and meaning of her life in herself. Simultaneously with all the dreams of togetherness she searches for mutuality, dignity and respect. She is also open to a life without marriage and a parenting without a father.

In the social sciences as well as in general society, the subject of women in entrepreneurship has received very little attention. In addition to having lower rates of entrepreneurship participation than males, women also typically choose to launch and run businesses in distinct industries from those that men typically do. In terms of enjoying freedom and other fundamental human rights, women still lag significantly behind males. Moreover, standard studies, courses, and strategies are frequently "men streamed" and fail to consider the unique requirements of current and prospective female entrepreneurs. Consequently, there is still a long way to go before men and women have equal opportunities in the business world.

### **PROBLEMS OF WOMEN ENTREPRENEURS IN INDIA**

While the process of becoming an entrepreneur is the same for men and women, women often encounter a variety of obstacles that limit their ability to reach their full potential. These obstacles can vary in scope and severity. A few issues are as follows: The main obstacle for female entrepreneurs is simply their gender. One of the main obstacles to their success in business is the male-dominated societal structure. Male members believe that supporting women-run businesses carries a significant risk.

1. Financial institutions have doubts about women's capacity for entrepreneurship. The bankers used irrational and unrealistic collateral to secure loans for female business owners. "Despite evidence that women's loan repayment rates are higher than men's," a UNIDO research states, "women still face more difficulties in obtaining credit," frequently as a result of discriminatory attitudes held by banks and informal lending groups.
2. To start their businesses, entrepreneurs typically need financial support of some kind, whether it comes in the shape of a formal bank loan or funds from savings accounts. The lack of sufficient working capital and financial resources is a problem for female entrepreneurs. The incapacity of women entrepreneurs to offer concrete security prevents them from accessing outside funding. Very few women actually own the tangible asset.
3. In both rich and developing countries, women are likewise prevented from being successful entrepreneurs by their family responsibilities. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business." Because they think women can quit their businesses at any time and return to being housewives, financial institutions discourage women from starting their own businesses. As a result, they are compelled to rely on loans from friends and family as well as their own money.
4. Indian women place a higher value on relationships and family ties. Women who are married must strike a delicate balance between work and home. Furthermore, the assistance that family members gave to women in the management and operation of the firm was crucial to its success.
5. There is also the claim that female entrepreneurs possess inadequate managerial abilities. To complete tasks, particularly those related to marketing and sales, they must rely on office personnel and middlemen.

6. Another element that creates barriers for women entrepreneurs in the business management process is the male-female competition. Although female entrepreneurs are adept at providing timely and efficient services, their lack of organisational abilities in comparison to male entrepreneurs places limitations on them owing to competition. In contrast to male entrepreneurs, women are less likely to possess the confidence to venture across different areas and states, as well as during the day and night. This demonstrates how little the female entrepreneurs have in terms of freedom of speech and movement.

7. The fundamental requirements for managing a firm include having strong negotiating abilities and being aware of alternate sources for raw material availability. Purchasing the raw materials at a discount from many suppliers is what establishes the profit margin. Women entrepreneurs' business initiatives are impacted by a number of obstacles, including limited negotiation and bargaining abilities and a lack of awareness regarding raw material availability.

8. A person's education level, know-how, and awareness of current technology advancements are important factors that influence business. Compared to the male population, women in India have a low literacy rate. In poor countries, a large number of women lack the education necessary to support successful entrepreneurship. They frequently lack the skills to conduct research and obtain the required training, and they are unaware of new technology or incompetent in using them.

9. A low tolerance for risk is another element influencing women's decisions to start their own businesses. Women with low levels of education are less likely to be self-reliant and confident when they go into business. A strong risk-taking mindset, bravery, and confidence are needed for investing, operating, and reinvesting money for future generation.

#### **GOVERNMENT SUPPORT: WOMEN ENTREPRENEURS AND MSMEs:**

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 organising exclusive Entrepreneurship Development Programmes (EDPs) for women.

After the liberalisation of the economy, government's attitude towards the MSME sector changed and many of the products exclusively manufactured by these units earlier, got dereserved. No more the MSME sector continued to be treated as "infant industry".

The MSME Development Act 2006, came into being with effect from 2nd October, 2006, subsequent to which, both the Central and State Governments took effective measures towards implementation of the Act. In order to increase the competitive edge of the MSMEs, the Government of India announced the National Manufacturing Competitiveness Programme (NMCP) during the budget speech 2005-06. One of the objectives of NMCP is to ensure healthy growth of the MSME sector. Under the National Manufacturing Competitiveness Programme (NMCP), five components have been made operational, which include quality management systems and quality technology tools, building awareness on intellectual property rights, support for entrepreneurial and managerial development through incubators, setting up of new mini tool rooms and marketing assistance/ support to MSMEs.

Entrepreneurship development is usually associated with development of MSMEs and has great importance in developing countries, as they accounted, on average, for more than 95% of all firms, thus the biggest source of employment, providing livelihood for over 90% of the country's workforce, especially women and the young. The degree of women entrepreneurship development is closely related to the degree of gender equity, which in developing countries is generally lower than that in developed countries.

By being unique, women entrepreneurs offer distinct solutions to management, organisation, and business difficulties in addition to maximising entrepreneurial chances. They also create new jobs for themselves and others. They still make up a small percentage of all entrepreneurs, though. Consequently, there is a market failure that precludes women from starting their own businesses and from experiencing success in doing so. Policy makers must address this market failing in order to fully realise this group's economic potential. Since low rates of women starting their own businesses are linked to both the status of women and entrepreneurship, we have proposed that it is crucial to improve women's participation in the labour force, elevate their standing in society, and generally expand their opportunities for starting their own businesses. Nonetheless, encouraging female entrepreneurs is essential to achieving general economic growth, and more focused programmes are required to assist female entrepreneurs.

### KEY POLICY RECOMMENDATIONS:

- 1) Make it easier for women to enter the workforce by making sure that equal treatment and reasonably priced child care are available. Broadly speaking, advancing women's status in society and encouraging entrepreneurship will benefit women's entrepreneurship.
- 2) Pay attention to what women entrepreneurs have to say. One strategy to help with this is the establishment of government offices on women's business ownership. These offices may be in charge of programmes including setting up women's business centres, planning informational gatherings and seminars, and/or giving web-based advice to anyone looking to launch and expand a business.
- 3) Consider women's entrepreneurship when developing any policies pertaining to SMEs. This can be achieved by making sure that the influence on women's entrepreneurship is considered during the design phase.
- 4).Encourage the growth of networks for female entrepreneurs. These are important resources for learning about women's entrepreneurship and useful resources for its advancement. In a global economy, collaboration and partnerships between national and international networks can support women's entrepreneurial aspirations.
- 5).Assess the effects of any SME-related policies on the performance of women-owned companies and the degree to which these companies exploit them on a regular basis. Finding methods to increase the efficacy of people who ought to be kept on should be the goal. The best practices that are discovered in this manner ought to be shared and distributed globally.
- 6).Strengthen the intellectual and empirical foundations of our knowledge of the contribution of female entrepreneurs to the economy. For gender-related cross-country comparative analyses and longitudinal investigations of the effects of significant developments and policies, particularly over time, a stronger statistical foundation is needed.  
*"Women have full freedom to work and prosper. From the moment they go out of their homes they are human beings: business woman has the same weight as a business man."*

### REFERENCES

- 1) Das, Keshab, 2007, 'SMEs in India: Issues and Possibilities in Times of
- 2) Globalisation', ERIA Research Project Report 2007No.5, March, ERIA, Bangkok.
- 3) Roomi, Muhammad Azam and Guy Parrott, 2008, 'Barriers to Development and Progression of Women Entrepreneurs', Journal of Entrepreneurship,17(1): 59-72.
- 4) Seymour, Nicole, 2001, 'Women entrepreneurs in the developing world', Center for Entrepreneurial Leadership, Clearinghouse on Entrepreneurship Education.
- 5) Das, D. Jayadeva, 2000, 'Problems faced by women entrepreneurs', Women Entrepreneurship, New Delhi, Vikas Publishing House.
- 6) Brush, C. (1998). A resource perspective on women's entrepreneurship: Research, relevance and recognition. OECD's Women entrepreneurs in small and medium enterprises, pp. 155-168. Paris: OECD.
- 7) Dignard, L. & Havet, J. (1995). Women in micro- and small-scale enterprise development. Boulder, CO: Westview Press. Dhameja, S.K., B.S. Bhatia and J.S. Saini, 2002, 'Problems and constraints of women entrepreneurship', in D.D. Sharma and S.K. Dhameja(eds.), Women and Rural Entrepreneurship, Chandigarh: Abhishek Publication).
- 8) Ganesan, S., 2003, Status of Women Entrepreneurs in India, New Delhi: Kanishka Publications.
- 9) UNDP, 2008a, The Human Development Report 2007/2008, New York: United Nations Development Programme.
- 10) UNDP, 2008b, Innovative Approaches to Promoting Women's Economic Empowerment, New York.
- 11) Tambunan, Tulus T.H., 2007, Entrepreneurship Development in Developing Countries, New Delhi: Academic Excellence.
- 12) Walokar, Deepak M., 2001, Women Entrepreneurs. New Delhi: Himalaya Publishing House.
- 13) Tambunan, Tulus T.H., 2008, Development of SMEs in ASEAN, New Delhi: Readworthy Publications, Ltd.