

ROLE OF WOMEN ENTREPRENEURS IN MICRO SMALL AND MEDIUM ENTERPRISES (MSME)

Dr. Sanjay P. Dhok

Associate Professor,

Sant Gadge Maharaj Mahavidyalaya,

Hingna

Email - sanjaydhok27@gmail.com

Abstract :

The Micro, Small, and Medium Enterprises (MSME) sector is a crucial component of India's economy, contributing significantly to GDP, employment, and innovation. Women entrepreneurs have increasingly entered this sector, bringing innovation, resilience, and inclusivity. However, their participation remains limited due to persistent challenges such as restricted access to finance, lack of awareness and training, societal norms, gender discrimination, and limited access to markets and networks. This paper explores the current state of women's participation in the Indian MSME sector and identifies the major obstacles they face. Based on empirical evidence and policy analysis, the paper offers strategic recommendations to improve the participation of women in MSMEs, aiming for a more inclusive and robust entrepreneurial ecosystem.

Keywords : Women Entrepreneurs, MSME, India, Gender Challenges, Entrepreneurship, Policy Support, Access to Finance, Economic Empowerment

Introduction :

Micro, Small and Medium Enterprises (MSMEs) are a key element in economic life, not only because of their number and variety but because of their involvement in every aspect of the economy, their contribution to regional development and the complementary role they play in support of the large sector. Small and medium enterprises could be termed as seed of industrial growth. The contribution of micro and small enterprises (MSEs) are long recognized as important vehicles of economic diversification, income generation and distribution, and accelerating the economy of a country. They can also support to achieve a more equitable distribution of the profits of economic growth. MSMEs assist in industrializing rural and underdeveloped areas. According to some experts, it's miles vital for economic boom and improvement as it fosters entrepreneurship, creates jobs, and eradicates poverty. It also plays a sizeable element in providing widespread employment possibilities.

Category of MSMEs :

MSMEs are India's second-largest supply of employment after agriculture. Nearly 95% of industrial units, 40% of industrial manufacturing, 34% of exports, and greater than 6000 goods are produced by using them. The empowerment of women's monetary popularity, extended family fitness, and expanded engagement of women are the developmental targets of micro, medium, and small businesses. In India as well as the rest of the globe, women make up about



half of the population. The exploitation of Indian women as stunning showpieces has ceased (Riana, 2013).

According to the union Budget 2025, there are two categories of Micro, Small and Medium Enterprises:

A) Manufacturing Enterprises : Enterprises engaged in the manufacture or production of goods concerned to any industry specified in the first schedule to the industries (Development and Regulation Act, 1951).

B) Service Enterprises : Enterprises engaged in providing or offering of services and are defined in terms of investment and equipment.

INVESTMENT AND TURNOVER LIMIT OF MICRO SMALL AND			
COMPOSITE CRITERIA: INVESTMENT IN PLANT AND MACHINERY AND ANNUAL TURNOVER			
CLASSIFICATION	MICRO	SMALL	MEDIUM
Manufacturing Enterprises and Enterprises rendering services	Investment in plant and machinery or equipment: up to Rs. 2.5 Crore and Annual Turnover; up to Rs. 10 Crore	Investment in Plant and Machinery or Equipment up to Rs. 25 Crore and Annual Turnover; up to Rs. 100 Crore	Investment in Plant and Machinery or Equipment: up to Rs.125 Crore and Annual Turnover; up to Rs. 500 Crore

(Source: Union Budget 2025) (Table No.1)

Defined MSMEs based on the amount of money invested in plant and machinery for manufacturing units and in equipment for service businesses.

Difference between 2020 and 2025 investment and annual turnover limits for MSMEs :

The classification criteria for Micro, Small, and Medium Enterprises (MSMEs) in India were re- viewed in the Union Budget 2025-26, increasing both investment and turnover limits. Given below is a comparison between the 2020 and 2025 thresholds:

CONTRAST OF INVESTMENT AND ANNUAL TURNOVER LIMITS FOR THE YEAR 2020 AND 2025				
ENTERPRISE TYPE	INVESTMENT LIMIT (₹ Crore)		ANNUAL TURNOVER LIMIT (₹ Crore)	
	2020	2025	2020	2025
MICRO	1	2.5	5	10
SMALL	10	25	50	100
MEDIUM	50	125	250	500

(Table No. 2)

Micro Enterprises : Investment limit increased from 1 crore to 2.5 crore; turnover limit raised from 5 crore to 10 crore.

Small Enterprises : Investment limit increased from 10 crore to 25 crore; turnover limit raised from 50 crore to 100 crore.

Medium Enterprises : Investment limit increased from 50 crore to 125 crore; turnover limit raised from 250 crore to 500 crore.

These enhancements-2.5 times increase in investment limits and 2 times in turnover limits aim to support MSMEs in achieving greater economies of scale, technological advancements, and improved access to capital.

Role of women in MSME :

Women entrepreneurs in MSMEs are the backbone of the market economic system. Increased guide for female entrepreneurs in MSMEs will usefully resource within the renewal of big groups. Women entrepreneurs in MSMEs can substantially make contributions to the development of a skilled commercial base and industries as well as the establishment of a GDP-contributing service sector (Gaur, 2015). However, there are other boundaries that women encounter in MSMEs, such as a loss of self-belief and socio-cultural barriers, and only a few women can manage both their houses and their businesses. After facing so many challenges, women are now stimulated to launch their own businesses in both urban and rural areas in order to fight poverty, provide for their families, and raise standards of living. Women have taken up women entrepreneurship essential to broaden their professions and emerge as equipped in place of to earn and survive on to be able to contribute to the development of society and the country (Khan & Bhatt, 2014).

Objectives of the study :

- To explore the current participation of female entrepreneurs in MSMEs.
- To study the challenges faced by women entrepreneurs in MSMEs.
- To suggest various measures to resolve the challenges faced by women entrepreneurs in MSMEs.

Current participation of women entrepreneurs in MSMEs :

Women entrepreneurs who launch, assemble, and manage a business is important to industrial growth. Women entrepreneurs have various responsibilities similar to those held by men. They should learn about the ideas for starting new businesses, introducing new inventions, taking risks, managing the administration and control of the company, and exercising active leadership in all areas of the company. Women contribute significantly to the fight against poverty by working hard both inside and outside the house. As a result, it can be claimed that women make up the better half of society.

% DISTRIBUTION OF ENTERPRISES OWNED BY FEMALE ENTREPRENEURS	
CATEGORY	FEMALE
Micro	20.44
Small	5.26
Medium	2.67

(Source: MSME Annual report, 2023-24) (TableNo.3)

This Table shows the analysis of enterprises owned by female entrepreneurs in Micro, Small and Medium enterprises reveal that Micro enterprises had 20.44% female entrepreneurs. Small Enterprises had 5.26% female entrepreneurs and Medium Enterprises had 2.67% female entrepreneurs.

% DISTRIBUTION OF ENTERPRISES IN RURAL AND URBAN AREAS OWNED BY FEMALE ENTREPRENEURS	
SECTOR	FEMALE
Rural	22.24
Urban	18.42
All	20.37

(Source: MSME Annual report,2023-24)(Table No. 4)

Obstacles faced by women entrepreneurs :

On the basis of a literature review, the following list of troubles that women entrepreneurs encounter with money or competitiveness is furnished:

Financial access : Considered essential issue for women. Getting financing is one of the largest troubles that women company owners face, especially when they first release their companies. For a number of reasons, consisting a lack of collateral and a refusal to simply accept household belongings as security, women frequently have fewer alternatives than men to acquire credit (Mahbub, 2000).

Poor managerial skills : Another hassle with female businesses is their lack of managerial skills. To execute duties connected to marketing and sales, they must rely on office workforce and middlemen (Dangi and Ritika, 2014)

- 1. Family obligation :** Family responsibilities are other component that forestalls women from beginning successful enterprises. Few women are capable to focus their complete interest on their business while also taking care of their children, their houses, and elderly dependent relatives.
- 2. Lack of motivational factors :** Self motivation can be defined as a mindset for a successful business, a willingness to take risks, and behavior towards the business enterprise

community by way of shouldering social obligations (Kumar, 2014).

3. **Lack of education** : Nearly all elements that affect business are inspired with the aid of know-how of technological breakthroughs, expertise, and academic background. The literacy rates for women in India are lower than for men.
4. **Social and cultural barriers** : In some communities, women entrepreneurs may face difficulties due to cultural norms and conventional gender roles. According to Dhameja, A. (2019), prejudice and preconceptions may additionally prevent women from entering non-conventional firms or restrict their involvement in industries where men predominate.
5. **Legal and regulatory hurdles** : Women business owners may face legal and regulatory obstacles relating to business registration, property rights, and compliance with local regulations, which can hinder their ability to conduct business (World Bank, 2021).

Remedial measures :

1. Improved access to finance :

- Implementing and expanding women-centric loan schemes like Stand-Up India, MUDRA Yojana, and SIDBI's Mahila Udyam Nidhi.
- Encouraging NBFCs and microfinance institutions to prioritize advancing to women-led enterprises.
- Promoting financial literacy and accounting workshops.

2. Skill development and training :

- Set up training programs through MSME Development Institutes, Skill India, and Women Entrepreneurship Platform (WEP).
- Partner with private sector and NGOs to offer online certification courses in entrepreneurship.

3. Help For the women in balancing her family obligations with her work profession :

- Promote flexible workspaces, co-working models, and home-based business incentives.
- Offer childcare facilities, maternity support, and counseling for work-life balance.

4. Inclusion of motivational factors :

- Organize mentorship programs, motivational seminars, and case studies of successful women entrepreneurs.
- Use mass media campaigns and social media to promote positive stories.

Conclusion :

It may be said that women's participation in entrepreneurship is growing significantly in the modern world. Women in MSME Sector are facing many challenges, but despite this, they are not giving up. In order to support women entrepreneurs, measures are being done to recognize their contribution to economic progress. Despite the numerous measures our government has done to support the advancement of women, they nevertheless confront several difficulties and

roadblocks. Finally, it can be said that women business owners and MSMEs in India have a long way to go and that their success is the achievement of Indian economy.

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