

Empowerment of Women Entrepreneur through MSME -An Economic Booster to Covid Hit Indian Economy

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Abstract

Micro, Small & Medium Enterprises, popularly known as the engine of growth in the country and incubators of entrepreneurship has emerged as the torchbearer of women empowerment on a global platform. Last year, on the eve of International Women's day 2018, Ministry of MSME launched Udyam Sakhi, a network for nurturing social entrepreneurship creating business models revolving around low-cost products and services to resolve social inequities. The portal cater needs of around 8 million Indian women who have started or running their own businesses through its platform for entrepreneurship learning tools, incubation facility, training programs for fundraising, providing mentors, one-on-one investor meet, provide market survey facility and technical assistance. To put it in nutshell, it can be easily inferred that Indian Govt has been incessantly involved in revolutionising the role of women outside the four walls of their home. Women, nowadays, take risks, trust their vision and settle for nothing less. The Covid pandemic hit the economy seriously which has left its impact on all sectors of the economy but nowhere is the hurt as much as the Medium, Small and Micro Enterprises (MSMEs) of India. The paper tries to trace out the importance of the sector in the women empowerment and also the impediments faced in the boosting process of the economy on the eve of Covid 19 pandemic.

Key Words: *Women Empowerment, Entrepreneurship, Covid 19 pandemic, Incubation Facility, Impediments*

Introduction

Micro, small, and medium enterprises (MSMEs) were an important instrument of growth for India's economy. The sector also contributes about 29 per cent to the country's GDP from service activities and over 33 per cent to the manufacturing output of India. MSMEs have emerged as the second largest source of employment in India (Deepak Kumar 2014). For growth to be inclusive and equitable, it is critical to understand how to enhance the role of women in the economy and in particular in the MSME sector. Ministry of Micro, Small & Medium Enterprises, popularly known as the engine of growth in the country and incubators of entrepreneurship has emerged as the torchbearer of women empowerment on a global platform. There is growing evidence all over the world that Small and Medium Enterprises (SMEs) play a significant role in the national economic development of any country (Rana & Massood 2011). They provide majority of new jobs and produce much of the creativity and innovation that fuels economic progress. On the eve of International Women's day 2018, Ministry of MSME launched Udyam Sakhi, a network for nurturing social entrepreneurship creating business models revolving around low-cost products and services to resolve social inequities. The portal cater needs of around 8 million Indian women who have started or running their own businesses through its platform for entrepreneurship learning tools, incubation facility, training programs for fundraising, providing mentors, one-on-one investor meet, provide market survey facility and technical assistance. To put it in nutshell, it can be easily inferred that Indian Govt has been incessantly involved in revolutionising the role of women outside the four walls of their home. Women, nowadays, take risks, trust their vision and settle for nothing less. The sector also contributes about 29 per cent to the country's GDP from service activities and over 33 per cent to the manufacturing output of India, so the government should

immediately come out with an incentive package for exporters as the current Covid crisis will 'severely' hit the MSME sector.

Significance of the Study

The Centre envisions a contribution of \$2 trillion from micro, small and medium enterprises (MSMEs) as India eyes becoming a \$5 trillion economy by 2024. The Covid pandemic hit the economy seriously which has left its impact on all sectors of the economy but nowhere is the hurt as much as the Medium, Small and Micro Enterprises (MSMEs) of India. However, the MSME sector, often considered the bulwark of the economy as it contributes 29 per cent to the Gross Domestic Product and 48 per cent to contribution to export. There is an urgent need of major reforms and policy interventions towards ensuring timely availability of low cost credit, improving ease of doing business and technology upgradation, to take on the formidable challenge of creating millions of jobs and achieving large-scale import substitution. It is correctly said that the magnitudes of the impact on MSME exporters can be gauged from the statement that has projected that global trade in goods and service is set to decline steeply between 32 per cent to 13 per cent in 2020 as countries across the world were battling the pandemic (WHO 2020).

Statement of the Problem

The need for empowering women is very important. In our modern society there were some things pull back women. So women were not completely utilize their opportunities like to do an entrepreneurship. The emergence of women entrepreneurs and their contributions to the national economy is quite visible in India. Lack of fund, family support, entrepreneurial background, political problem, marketing, support from govt, marketability, competition, positive business environment etc. were the major impediments of carrying a business unit.

Hypothesis

H1: There is not much significant difference between women entrepreneurship and their empowerment

H0: There is significant difference between women entrepreneurship and their empowerment

Objectives of the study

The study carried out with two objectives

1. To identify the role of MSME in empowering women to counter act Covid hit economy
2. To trace out the major problem faced by women led MSME

Data Source and Methodology

The study is based on both primary and secondary data. Primary data were collected from 100 units of MSME headed by women in Chittur Taluk, by using purposive sampling. Secondary data were collected from various published sources of govt publications, local bodies, various departments, internet sources etc.

Tools of analysis

The data were analysed with various statistical analysis like descriptive statistics and test statistics

Research Findings-Secondary Data Analysis

Access to Finance

On average, women have less access to basic banking services such as checking and saving accounts. As a result, many female entrepreneurs rely on their own savings, loans from family and friends, or micro-loans to finance their business needs. Though, the small size and short-term nature of micro-loans do not allow women borrowers to make long-term investments in their businesses.

Table: 1 Sources of Finance

| Source | Financing Supply Share (percent) |
|---|----------------------------------|
| Public sector banks through micro credit | 30 |
| Public sector banks to small scale industries | 38 |
| Private sector banks | 19 |
| Foreign banks | 5 |
| Swarna Jayanti Gram Swarozgar Yojana | 4 |
| Prime Minister's Rozgar Yojana | 2 |
| Swarna Jayanti Shahari Rozgar Yojana | 2 |

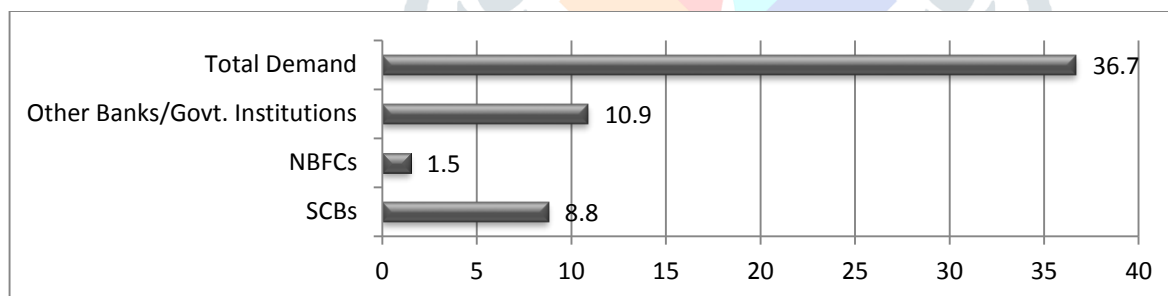
Source: Swaniti Initiative 2018-www.swaniti.in

In other words, instead of directly infusing money into the economy or giving it directly to MSMEs in terms of a bailout package, the government has resorted to taking over the credit risk of MSMEs should they want to remain in business. These credit guarantees should help the formal banking system meet the credit demand of the MSME sector

Table: 2 Sector wise Distribution of MSME (unit in Lakh)

| Sector | Micro | Small | Medium | Total | Share(percentage) |
|--------|--------|-------|--------|--------|--------------------|
| Rural | 324.09 | 0.78 | 0.01 | 324.88 | 51 |
| Urban | 306.43 | 2.53 | 0.04 | 309 | 49 |
| All | 630.52 | 3.31 | 0.05 | 633.88 | 100 |

Source: Annual Report, Ministry of MSMEs 2019

Figure: 1 Credit Gap in Demand and Supply in MSME (Rs in Trillions)**Table: 3 Estimated Employment Generation in MSME sector (in Lakh)**

| Category | Rural | Urban | Total | Share |
|-------------------------|---------------|---------|----------------|-------------|
| Manufacturing | 186.56 | 173.86 | 360.41 | 32% |
| Trade | 160.64 | 226.54 | 387.18 | 35% |
| Other Services | 150.53 | 211.69 | 362.22 | 33% |
| Non Captive Electricity | 0.06 | 612.10 | 0.07 | |
| All | 497.78 | 1224.19 | 1109.89 | 100% |

Source: Annual Report, Ministry of MSME 2019

Result and Discussion- Primary Data Analysis

Table: 4 The Sector Wise Analysis of MSME in the Study Area

| MSME Specialization of the product item | | | Place of business | | | Type of business | | |
|---|------------|------------|-------------------|------------|------------|------------------|------------|------------|
| Type | No. | % | Place | No. | % | Type | No. | % |
| Agricultural | 9 | 9 | Rural | 43 | 43 | Seasonal | 4 | 4 |
| Industrial | 32 | 32 | Urban | 54 | 54 | Regular | 96 | 96 |
| Service | 37 | 37 | State wise | 3 | 3 | | | |
| Others | 22 | 22 | | | | | | |
| Total | 100 | 100 | Total | 100 | 100 | Total | 100 | 100 |

Source: Primary Data

The above multi table shows that specification of the product item, place of business and type of business. Under the first column there were four types of specifications. They were agriculture, industrial, service, and others. Place of business like rural, urban, and state wise and types of business like seasonal and regular.

Table No: 5 Location of Business and Ownership

| Ownership of Business | | Ownership | | Total |
|-----------------------|-------------|-----------|-------------|------------|
| | | Sole | Partnership | |
| Ownership of Business | Rented | 5 | 3 | 8 |
| | Owned House | 58 | 4 | 62 |
| | Owned Shop | 20 | 1 | 21 |
| | Others | 8 | 1 | 9 |
| Total | | 91 | 9 | 100 |

Source: Primary Data

Chi-Square Tests

| | Value | df | Asymp. Sig. (2-sided) |
|-------------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Squwere | 8.935 ^a | 3 | .030 |
| Likelihood Ratio | 5.940 | 3 | .115 |
| Linear-by-Linear Association | 1.699 | 1 | .192 |
| N of Valid Cases | 100 | | |

Source: Primary Data

The above cross tab shows that the relationship between location of business and ownership. Here out of 100 households 91 were running own business, in this 5 were used rented premises, 58, were located in owned house, 20 have owned shop, 8 were others types of doing business, and 9 having partnership. The table shows the chi-square test of the above cross tabulation between location of business and ownership. Here the chi-square value is 8.935(.030) which indicates that there is a significant relationship between location of business and ownership.

Table No: 6 Solutions for Entrepreneurial Related Issues

| Solutions | N | Mean | Std. Deviation | Minimum | Maximum |
|---|-----|--------|----------------|---------|---------|
| By Participation In Training Programmes | 100 | 2.4400 | 1.43773 | 1.00 | 5.00 |
| By Taking Membership In Unions | 100 | 3.1800 | 1.55297 | 1.00 | 5.00 |
| Awareness Programmes | 100 | 3.2000 | 1.18065 | 1.00 | 5.00 |
| Advertisement and publicity | 100 | 3.1000 | 1.22680 | 1.00 | 5.00 |
| Local Support | 100 | 3.0800 | 1.52209 | 1.00 | 5.00 |

Source: Primary Data

Test Statistics

| | |
|-------------|--------|
| N | 100 |
| Chi-Square | 16.096 |
| Df | 4 |
| Asymp. Sig. | .003 |

Source: Primary Data

The above table shows the details regarding the solutions for the entrepreneurial related issues which include By Participation In Training Programmes, By Taking Membership In Unions, Awareness Programmes, Advertisements And Media Help and Local Support. The respondents were asked to rank the various solutions for their issues. The table shows the lowest mean rank is given for first rank. Friedman test is carried out to test whether there is significant difference among the mean ranking of different solutions. The results show that the better solution to their problem is by participation in training programmes which ranks first (mean rank=2.44) followed by taking membership in unions (mean rank=3.08), awareness programmes (mean rank=3.10), advertisements and media help (mean rank=3.18) and local support (mean rank=3.20). The result interpretation shows that the chi square value =16.096 is significant at 5% level of significance and the null hypothesis that there is no significant difference in the mean ranks so it is rejected. So there is significant difference in the mean ranks for the solutions to entrepreneurial related issues. Participation in training programmes which ranks first (mean rank=2.44) followed by taking membership in unions (mean rank=3.08), awareness programmes (mean rank=3.10), advertisement and media help (mean rank=3.18) and local support (mean rank=3.20). The result interpretation shows that the chi square value =16.096 is significant at 5% level of significance and the null hypothesis that there is no significant difference in the mean ranks is rejected. So there is significant difference in the mean ranks for the solutions to entrepreneurial related issues.

Table No: 7 Techniques for Empowering Women through MSME

| Descriptive Statistics | | | | | |
|--|------|----------------|---------|---------|------|
| N | Mean | Std. Deviation | Minimum | Maximum | |
| Governmental Appreciation And Awarding | 100 | 4.2100 | 2.46304 | 1.00 | 7.00 |

| | | | | | |
|--|-----|--------|---------|------|------|
| Creating Women MSME Worker Organization | 100 | 3.4800 | 1.74934 | 1.00 | 7.00 |
| Providing Special Training Organizations | 100 | 3.2100 | 1.58462 | 1.00 | 7.00 |
| Capacity Building Institutions | 100 | 4.3200 | 1.86342 | 1.00 | 7.00 |
| Good Employer Employee Relationship | 100 | 3.7600 | 1.92863 | 1.00 | 7.00 |
| Family Support | 100 | 4.1100 | 1.81406 | 1.00 | 7.00 |
| Financial Support | 100 | 4.9100 | 2.05035 | 1.00 | 7.00 |

Source: Primary Data

Suggestions

From the data analysis it is find out that:

Table No: 8 Suggestions

| Suggestion | Mean Rank | Rank |
|--|-----------|------|
| Governmental Appreciation and Awarding | 3.21 | 1 |
| Creation Women MSME Work Organisations | 3.48 | 2 |
| Capacity Building Institutions | 4.11 | 3 |
| God Employer Employee Relationship | 4.21 | 4 |
| God Employer Employee Relationship | 4.21 | 4 |
| Family Support | 4.32 | 5 |
| Financial support | 4.91 | 6 |

Source: Primary Data

Test Statistics

| | |
|-------------|--------|
| N | 100 |
| Chi-Squere | 41.546 |
| Df | 6 |
| Asymp. Sig. | .000 |

a. Friedman Test

The table shows the suggestive measures of the problems of MSME. A Friedman test is carried out to test whether there is significant difference among the mean ranking of different techniques. The results show that the better technique to empowering women is governmental appreciation and awarding which ranks first (mean rank=3.21) followed by creating women MSME worker organization (mean rank=3.48), providing special training organizations (mean rank=3.76), capacity building institutions, (mean rank=4.11), good employer employee relationship (mean rank=4.21), family support (mean rank=4.32), and Financial Support ((mean rank=4.91). The result interpretation shows that the chi squere value =41.546 is significant at 5% level of

significance and the null hypothesis that there is no significant difference in the mean ranks is rejected. So there is significant difference in the mean ranks for the techniques to empowering women through MSME. Alternate hypothesis H1 is accepted.

Conclusion

The women have achieved immense success over the years in changing the perception of a male-dominated society. In present times women have the skill, talent, and moreover a zeal to create something new. Women are in no way behind the man and are excelling in every sphere of their life. In the past few decades, women are entering the field of entrepreneurship and excelling in it. The government is offering various schemes to help out women entrepreneurs in achieving their goals. The sector has also been offering new opportunities to women at the grass-root level to fight against the Covid 19 pandemic. The pandemic has also provided many examples of effective women's leadership and ingenuity in responding to the crisis effectively. While there are already some indications that women entrepreneur are responding better to the current pandemic crisis. Evidence suggests a relationship between women's representation in decision-making and increased social benefits for societies as a whole. On this site, we are providing insights and guidance to small businesses searching for ways to cope with the operational stress generated by COVID-19. This will also be a useful resource for business support organizations and policymakers assisting MSMEs in these efforts. Ofcourse, the Athmanirbhar programme launched by Central Government is a boosting method to revive the MSME sector under these pandemic hit circumstances.

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