



# Empowerment of Women Through Participation in MSMEs: The Jharkhand Perspective

**Author:** Manisha Kumari

**Designation:** Research scholar

**Organization:** University Department of Commerce and Business Management, Ranchi University, Ranchi University, Ranchi

## ABSTRACT

Within the global context of progress and equality, the central role of women in fostering economic growth, epitomized by their involvement in Micro, Small, and Medium Enterprises (MSMEs), remains a powerful testament to empowerment. Jharkhand, renowned for its rich cultural heritage and abundant natural resources, offers a distinctive context for examining this phenomenon. Recent years have witnessed a transformation in Jharkhand as women entrepreneurs have entered the MSME sector with unwavering determination. This paradigm shift challenges conventional gender norms and serves as a catalyst for economic expansion, social advancement, and gender parity. This research paper delves into the dynamic landscape of women-led enterprises within Jharkhand's MSME sector, with a focus on illuminating the obstacles, and transformative impacts associated with this emerging trend. Through a comprehensive and original analysis, this study aims to contribute valuable insights to the discourse on women's empowerment and its pivotal role in fostering sustainable economic development.

**KEYWORDS** – Entrepreneurs, MSMEs, Women Empowerment, Micro-Entrepreneurship, Financial Institution, Gender Equality

## INTRODUCTION

The empowerment of women stands as a critical global imperative, and when considering India's economic landscape, it takes on significant relevance through their active involvement in MSMEs. Jharkhand, a state renowned for its rich cultural heritage and abundant natural resources, offers a distinctive vantage point in this regard. In recent times, there has been a noticeable shift in the state as women entrepreneurs have entered the

MSME sector with unwavering determination and resilience. This transformation not only represents a departure from traditional gender roles but also serves as a powerful driver for economic development, societal advancement, and gender parity. In our exploration of "Empowerment of Women Through Participation in MSME: The Jharkhand Perspective," we embark on an examination of the evolving landscape of women-led enterprises within Jharkhand's MSME sector, shedding light on the opportunities, challenges, and transformative impacts associated with this burgeoning movement.

MSMEs play a significant role in the development of society by contributing to economic empowerment, innovation, and economic recovery, especially during challenging times like the Covid-19 pandemic. They provide job opportunities, help reduce poverty and unemployment rates, and introduce local products to wider markets. MSMEs also support the growth of the economy by increasing productivity, expanding market share through partnerships, and promoting digitalization to enhance access to online markets. Overall, MSMEs are essential for fostering resilient and independent businesses, driving economic development, and empowering communities (Larasati, 2022).

## **WOMEN EMPOWERMENT**

Despite government efforts, women in India are still comparatively underprivileged and have a lesser status than men. The persistence of inequitable gender norms in society impedes the empowerment of women. Women's empowerment is characterized as being facilitated by changes in social structure, work opportunities, and access to education (Manju & Hooda, 2017).

Empowering women is of paramount importance, as it not only promotes gender equality but also holds significant implications for broader society and the economy. Empowered women actively engage in decision-making processes, inject unique perspectives into various sectors, and assume leadership roles, contributing to more inclusive and equitable societies. Empowerment entails granting individuals a degree of freedom, rights, power, or authority. Women's empowerment, specifically, signifies the empowerment of women, emphasizing the importance of treating them equitably across all domains and affording them equal opportunities, free from discrimination. Women achieve empowerment when they can access opportunities in various fields, including education and professional life, without encountering undue limitations or restrictions. This process encompasses elevating their status through education, awareness, literacy, and training, along with the ability to exercise decision-making authority. When a woman participates in significant decision-making, it results in a sense of empowerment (Jyoti Babbar, 2022).

## **EMPOWERMENT OF WOMEN THROUGH PARTICIPATION IN MSME**

MSMEs stand as a potent approach for advancing gender equality and promoting economic growth. The MSME sector is often seen as a platform that facilitates the transformation of homemakers into entrepreneurs. Launching their own businesses not only fosters independence among women but also creates employment

opportunities and contributes to a decline in gender-based crimes. Presently, women are increasingly inclined to take risks, display confidence in their capabilities and aspirations, and are resolute in their pursuit of nothing less (Vijayachandrika C, Ayu Lestari, 2023). Ensuring women have access to resources, training, and tailored financial support can break down gender-based obstacles, levelling the playing field for women entrepreneurs.

MSMEs empower women by providing them with opportunities for economic independence and entrepreneurship. These small and medium enterprises offer a platform for women to start and manage their own businesses, thereby contributing to their financial stability and empowerment. Additionally, MSMEs create employment opportunities for women, especially those from marginalized communities, and enable them to participate in the economic growth of the country. The government and various agencies have also taken steps to support and promote women entrepreneurs in the MSME sector through credit availability, skill development, and other initiatives. Overall, MSMEs play a significant role in bridging the gender gap in economic participation and empowering women to achieve financial success and independence. (M. Raj, 2011)

### **MICRO, SMALL AND MEDIUM ENTERPRISE IN JHARKHAND**

MSMEs have played a pivotal role in the economic development of Jharkhand, significantly contributing to the state's Gross Domestic Product (GDP) and employment generation. These enterprises have served as crucial sources of employment for a substantial portion of the state's population, spanning both urban and rural areas. They provide livelihoods to a diverse workforce, encompassing both skilled and unskilled labour. MSMEs in Jharkhand engage in various sectors, including manufacturing, agriculture, handicrafts, and services. The state's abundant mineral resources and agricultural potential have propelled the growth of MSMEs in related industries. Similar to their counterparts in other states, MSMEs in Jharkhand grapple with challenges such as access to finance, technology adoption, marketing, and infrastructure. Addressing these challenges has been a focal point for both the state government and various support agencies. The Jharkhand government has rolled out several initiatives aimed at promoting and bolstering MSMEs. These encompass financial incentives, skill development programs, and endeavours to streamline regulatory processes. Mirroring the national trend, MSMEs in Jharkhand have progressively embraced digital technologies to enhance their operational efficiency, expand market reach, and bolster competitiveness.

The research findings indicate that Jharkhand state should prioritize several key areas, including the labour force, infrastructure development, information and communication technology (ICT) adoption, access to credit facilities, effective financial management, and sound economic governance to foster the growth of Micro, Small, and Medium Enterprises (MSMEs) (Ruhi Mittal, Sushila Soriya & Anshu Lochab, 2022).

## OBJECTIVES OF THE RESEARCH

1. To assess the current level of women's participation in MSME in Jharkhand
2. To study the challenges and issues faced by women entrepreneurs in Jharkhand

## LITERATURE REVIEW

1. **Neha Dangi and Ritika (2014)** One can deduce that Micro, Small, and Medium Enterprises (MSMEs) play a vital role in bolstering the Indian economy's growth. Despite encountering numerous obstacles on their journey to entrepreneurial success, the government has undertaken various initiatives to support the advancement of women entrepreneurs. In conclusion, it is evident that there remains a considerable distance to traverse for both women entrepreneurs and MSMEs in India, with their triumphs closely intertwined with the prosperity of the Indian economy.
2. **Dr. N. Danabakyam and Swapna Kurian (2012)** The collaborative efforts of women entrepreneurs, supported by the MSME sector, make an invaluable contribution to the overall performance of our national economy. MSMEs have emerged as instrumental agents in broadening the scope of industrial entrepreneurship across India. The key drivers behind the success of women entrepreneurs encompass a strong drive for achievement and adept interpersonal skills. To ensure the success of women entrepreneurs in terms of gaining access to capital and marketing, it is essential to provide them with training and education.
3. **Radhagobinda Basak and Manidipa Das Gupta (2018)** Participation in MSMEs is viewed favourably as a means of women's empowerment across various dimensions, including economic, socio-cultural, familial, legal, political, and psychological aspects. Economic empowerment typically precedes empowerment in other domains, with micro-entrepreneurship being a key driver of economic independence for women. Demographic and cultural constraints also hinder women entrepreneurs, resulting in lower growth rates and survival rates for women-owned MSMEs compared to those owned by men.
4. **C. Vinod Kumar (2021)** The MSMEs holds a significant position in fostering entrepreneurial talent and distributing income and wealth within local communities. Its substantial contributions encompass production, export, job generation, and gross domestic product (GDP) enhancement. In this context, women emerge as pivotal agents in the economic development of their countries. Notably, the contributions of women in the MSMEs sector have proven instrumental, particularly in rural areas. The

rural economy has experienced a surge, because of the job opportunities generated by micro, small, and medium-sized enterprises.

## RESEARCH METHODOLOGY

This research adopts a descriptive research design to investigate the impact of MSME in empowering women entrepreneurs. Notably, the data for this study has been exclusively sourced from secondary references, including books, scholarly journals, government publications, MSME, Udyam portal, newspaper articles, and other authoritative sources, ensuring a comprehensive and well-informed analysis.

## EMPOWERING WOMEN THROUGH ENGAGEMENT IN MSMES IN INDIA

Women's involvement in Micro and Small Enterprises (MSMEs) in India is not only substantial but also transformative in various aspects of the economy. The active participation of Indian women in the MSME sector has led to the creation of innovative products and services, bolstering economic growth and employment opportunities in the country (Raj, 2023).

Presently, women entrepreneurs in India oversee around 14% of MSMEs, accounting for approximately 13.5 – 15.7 million enterprises. These businesses directly employ between 22-27 million individuals, exerting a significant influence on the economy and the livelihoods of fellow women across the country. Recognizing the vital role of supporting women in MSMEs, the Indian government has implemented various initiatives like the Prime Minister's Employment Generation Programme (PMEGP), Startup India, and Stand Up India. These endeavors aim to empower women entrepreneurs and promote gender equality within the business realm by offering financial aid, relevant skills, and support systems to women-led MSMEs. The goal is to dismantle barriers, generate job opportunities, and drive inclusive and sustainable development in India. By amalgamating digital transformation with comprehensive measures, India has the potential to cultivate an environment conducive to women's business empowerment, consequently propelling the nation towards unprecedented economic growth and global recognition. (Singh, 2024).

## THE SOCIO-ECONOMIC FACTORS INFLUENCING WOMEN'S PARTICIPATION IN MSMES IN JHARKHAND

The socio-economic environment in Jharkhand provides a distinct backdrop for women's involvement in Micro, Small, and Medium Enterprises (MSMEs). Women in the state actively participate in various economic activities, particularly in sectors like agriculture, animal husbandry, sericulture, and small-scale industries, contributing significantly to the state's development initiatives. However, despite the abundance of natural resources, a considerable segment of the population, approximately 39.1%, struggles with poverty, often termed as the resource curse. (Chaudhary & Kumari, 2023)

This economic imbalance presents hurdles for female entrepreneurs, including limited access to crucial government services, bureaucratic obstacles, and the distance to government training facilities, all of which hinder the growth and success of women-led enterprises in Jharkhand. Nonetheless, despite these challenges, female entrepreneurs in the state play a crucial role in the national economy by engaging in start-ups and expanding their micro and small businesses, showcasing their resilience and contribution to economic advancement. Additionally, there's a noticeable increase in women's involvement in the economic growth trajectory in Jharkhand, attributed to recent economic reforms. This trend underscores the potential for further empowerment and economic inclusion of women in the state's MSME sector, underscoring the significance of addressing and alleviating the socio-economic obstacles they encounter.

### **ROLE OF GOVERNMENT SCHEMES AND POLICIES IN PROMOTING WOMEN INVOLVEMENT IN MSMES IN JHARKHAND**

The Udyam Sakhi Portal, Mukhyamantri Krishi Ashirwad Yojana, Mukhyamantri Mahila Udyami Yojana, Udyogini Scheme, Jharkhand State Livelihood Promotion Society, Startup Jharkhand, and similar initiatives collectively play a pivotal role in fostering women's participation in MSMEs across Jharkhand. These schemes offer crucial support mechanisms ranging from financial assistance to skill development training and mentorship, empowering women entrepreneurs to establish, manage, and expand their ventures effectively. By providing access to resources, market opportunities, and networking platforms, these initiatives create an enabling environment for women to thrive in the competitive MSME landscape of Jharkhand. Additionally, they contribute to socio-economic development by harnessing the entrepreneurial potential of women, thereby driving inclusive growth and empowerment throughout the state.

Government policies and support initiatives are crucial in enabling and nurturing the involvement of women in Micro, Small, and Medium Enterprises (MSMEs) in Jharkhand. Acknowledging the importance of enterprises led by women in driving economic growth, sustainability, and progress, the government is placing growing emphasis on enacting policies aimed at empowering and assisting women entrepreneurs in the area (Singh et al., 2021). These policies aim to tackle the diverse factors, both encouraging and discouraging, that impact female entrepreneurship in Jharkhand, including societal expectations, gender prejudices, and restricted resource availability.

Apart from government interventions, non-governmental organizations (NGOs) also have a significant impact by offering assistance, resources, and networking platforms to women entrepreneurs in the state, thereby increasing their prospects for success in the MSME domain. Furthermore, the significance of networking and resilience cannot be emphasized enough, as they empower women entrepreneurs to overcome obstacles, seize fresh prospects, and ultimately flourish in the demanding business landscape (Sahi & Modi, 2024).

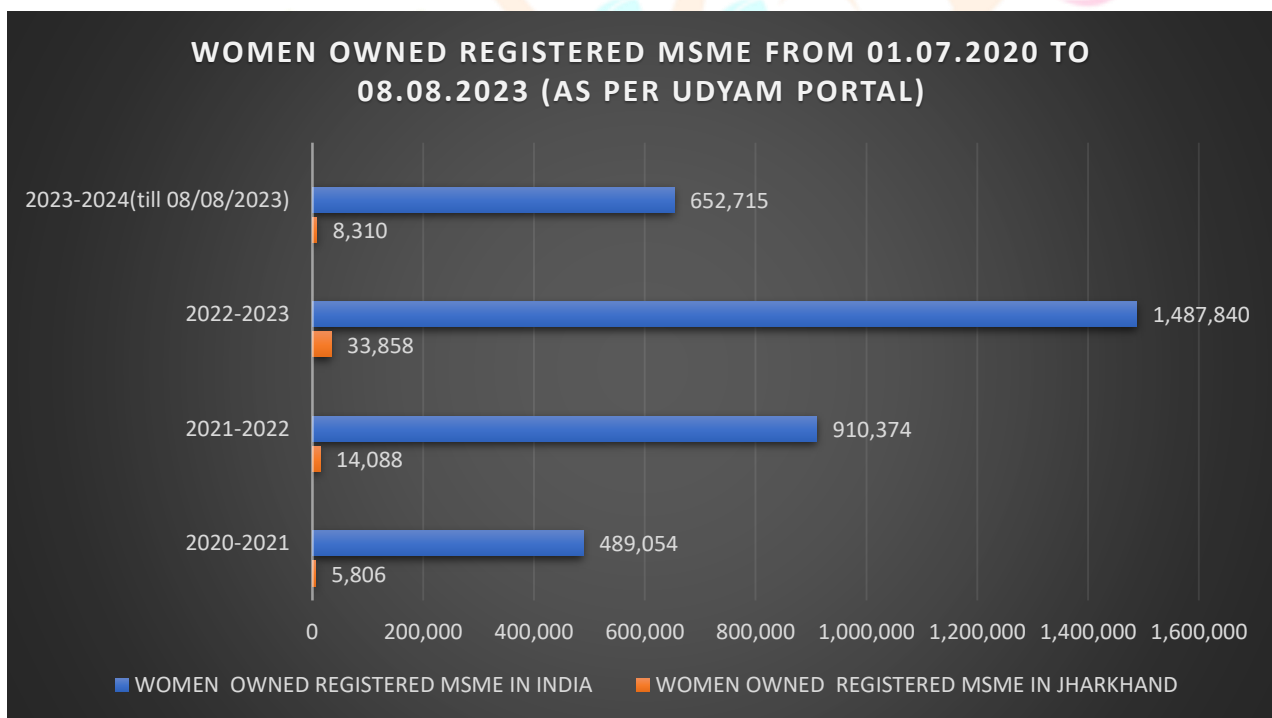
**DATA ANALYSIS****Number of women owned MSME registered from 01.07.2020 to 08.08.2023**

(as per Udyam portal)

**Table 1**

YEAR	INDIA	JHARKHAND
2020-2021	4,89,054	5,806
2021-2022	9,10,374	14,088
2022-2023	14,87,840	33,858
2023-2024(till 08/08/2023)	6,52,715	8,310
Total	35,39,983	62,062

(Source- Ministry of MSME)

**Figure 1**

(Source- Ministry of MSME)

**Data interpretation**

Table 1 shows that in India, there has been a notable surge in the number of registered women-owned MSMEs over the observed time frame. The figures indicate an impressive 86.99% increase from the fiscal year 2020-2021 to 2021-2022. This growth trend persisted into the following fiscal year 2022-2023, with a 63.24% increase in registrations. However, the data for the period from 2022-2023 to 2023-2024 (till 08/08/2023)

reveals a noteworthy decline, with a -56.07% decrease, suggesting a potential shift in registration dynamics during this last observed interval.

In contrast, the state of Jharkhand exhibited even more substantial growth in women-owned MSME registrations. From 2020-2021 to 2021-2022, there was a remarkable 142.20% increase in registrations. This trend continued into the next fiscal year, 2022-2023, with a 140.17% increase. However, it is crucial to note that the data for 2023-2024 (till 08/08/2023) reflects a -75.44% decrease in registrations, which may warrant further investigation to understand the factors contributing to this decline.

**Number of women headed MSME closed during the period 01.07.2020 to 04.05.2023**

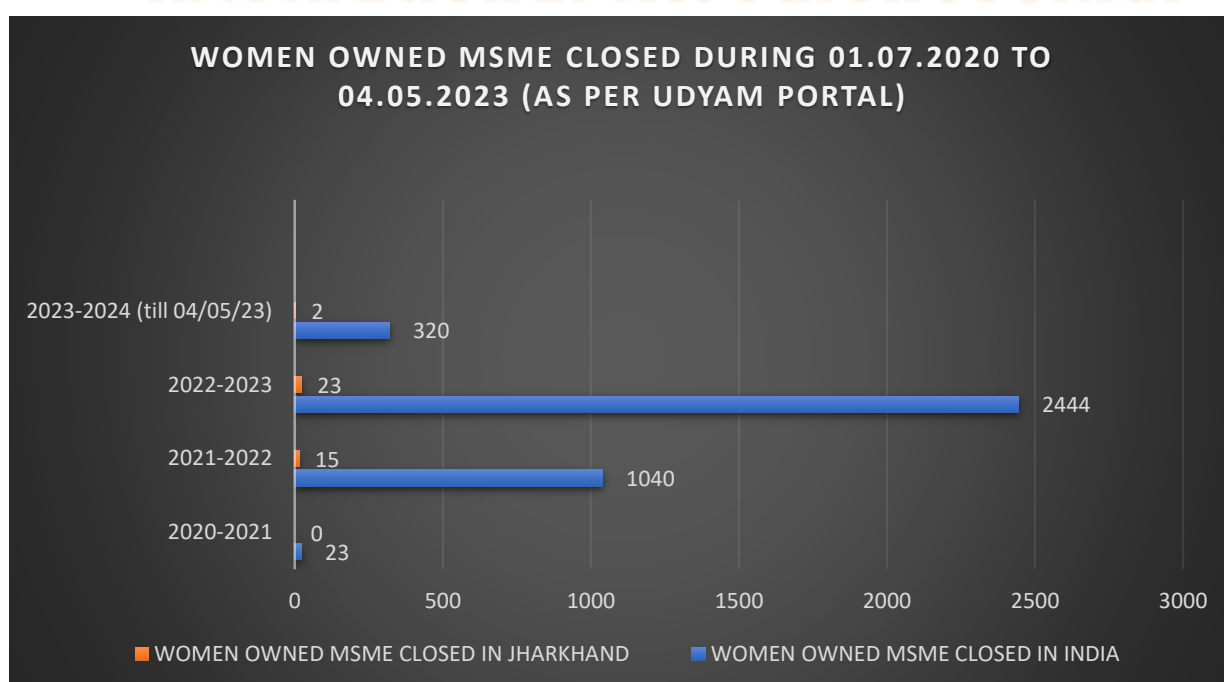
(as per Udyam portal)

**Table 2**

YEAR	INDIA	JHARKHAND
2020-2021	23	0
2021-2022	1,040	15
2022-2023	2,444	23
2023-2024 (till 04/05/23)	320	2
Total	3,827	40

(Source- Ministry of MSME)

**Figure 2**



(Source- Ministry of MSME)



## Data interpretation

Table 2 shows that in India, the figures indicate that the number of women-owned MSME closures remained relatively low during the initial observation period of 2020-2021, with just 23 closures reported. However, there was a substantial increase in closures during the subsequent fiscal year 2021-2022, with 1,040 closures, marking a significant percentage increase. This trend continued into 2022-2023, with 2,444 closures, indicating a further increase. Nevertheless, the data for 2023-2024 (till 04/05/23) shows a decrease in closures compared to the previous year, with 320 closures recorded.

In contrast, Jharkhand exhibited a comparatively lower number of women-owned MSME closures throughout the observation period. In 2020-2021, there were no recorded closures, while in 2021-2022, there were 15 closures, indicating a modest increase. This trend continued into 2022-2023, with 23 closures, suggesting a slight rise. In the year 2023-2024 (till 04/05/23), there were only 2 closures, demonstrating a decrease compared to the preceding year. Female entrepreneurs within the MSME sector encounter numerous obstacles impeding their advancement and prosperity in business. Among the key challenges they face is restricted availability of vital resources like credit, marketing and distribution channels, and technical expertise.

## CHALLENGES FACED BY WOMEN ENTREPRENEURS IN JHARKHAND

- 1. Limited access to capital** - Access to capital presents a substantial obstacle for women entrepreneurs, who frequently encounter greater difficulties in obtaining loans or securing investments when compared to their male counterparts. Financial institutions may exhibit hesitancy in extending funding to businesses owned by women.
- 2. Lack of social network** - Establishing professional networks and locating mentors can pose difficulties in rural areas, where women may encounter fewer opportunities to connect with fellow entrepreneurs or access support systems readily available in urban settings.
- 3. No professional training-** In rural areas, women entrepreneurs encounter significant hurdles when it comes to accessing essential training and resources necessary for entrepreneurship. These challenges stem from a combination of geographic, economic, and social factors that make it harder for them to acquire the skills and knowledge needed to run successful businesses.
- 4. Market access-** Potential clients may hold stereotypes that affect their perception of a woman's ability to deliver services or products effectively. Women entrepreneurs may face unfair competition, including undercutting of prices or exclusion from certain business opportunities, making it difficult for them to grow and expand their enterprises.
- 5. Family and societal expectation** - Women who prioritize their businesses may encounter scepticism or disapproval from their families, communities, or even peer groups. The traditional notion that a woman's

primary role is within the confines of her home can create tension and discourage women from pursuing their entrepreneurial goals.

**6. Lack of digital literacy** - Many women in rural areas may have limited exposure to digital technologies, resulting in lower levels of digital literacy. This digital divide can prevent them from accessing online resources, engaging in e-commerce, or effectively utilizing digital marketing strategies. This dearth of infrastructure can isolate rural women entrepreneurs from the digital world, making it difficult for them to leverage technology for their businesses.

## CONCLUSION

In conclusion, the data analysis of registrations and closures in the segment of women-owned Micro, Small, and Medium Enterprises (MSMEs) during the observed period highlights the dynamic nature of the MSME sector in both India and the state of Jharkhand.

In India, there was a substantial surge in registrations from 2020-2021 to 2022-2023, indicating the growing interest and involvement of women entrepreneurs in the MSME sector. However, the subsequent drop in registrations between 2022-2023 and 2023-2024 raises important questions that warrant further investigation. This shift in registration trends may be influenced by various factors, including changes in economic conditions, government policies, or evolving entrepreneurial preferences.

Similarly, the data on business closures shows fluctuations in both India and Jharkhand. While India experienced a significant increase in closures during the initial years of the observation period, the data for 2023-2024 suggests a reduction in closures. In contrast, Jharkhand consistently reported relatively fewer closures throughout the period, with a decrease noted in the most recent year. As women-led MSMEs flourish, they generate job opportunities, drive economic expansion, and serve as inspirational models for other aspiring women entrepreneurs. Empowering women through MSMEs is not just a commitment to women's rights; it's a commitment to sustainable development and an inclusive path toward economic progress. Within the tapestry of Jharkhand's economic landscape, MSMEs have woven threads of opportunity, allowing women entrepreneurs to emerge as vibrant and empowered contributors, crafting their own stories of success and resilience in the fabric of progress.

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