



Participation Of Women Entrepreneurs In Msme Sector In India And Challenges Faced By Them

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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 (Aynadis and Mohammednur, 2014). 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 (Dangi and Ritika, 2014). It also plays a sizeable element in providing widespread employment possibilities.

CLASSIFICATION 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 MEDIUM ENTERPRISES

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.

DISTINCTION BETWEEN 2020 AND 2025 INVESTMENT AND ANNUAL TURNOVER LIMITS FOR MSMEs

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

COMPARISON OF INVESTMENT AND ANNUAL TURNOVER LIMITS FOR THE YEAR 2020 AND 2025				
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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.

LITERATURE REVIEW

Naidu and Chand (2012) in their study concluded that financial problems faced by the MSMEs could be divided into three broad categories-operational and administrative problems, financial problems and sales and debtor's problems. The 19 financial obstacles experienced in this research

falls under these broad categories. The study implicated conducting a survey of 200 MSMEs in Fiji and Tonga.

Garg (2015) conducted a study to measure the growth rate and the overall performance of the MSMEs working in the state of Punjab. Researcher has used the descriptive statistics to measure the performance of MSMEs using graphs and tables. It was specified that MSMEs mainly focus on producing export-oriented goods, thus MSMEs helps in increasing the export volume of the country and increasing the foreign exchange reserves of the country. Hence, MSMEs plays an important role in the growth of the Indian economy. Research showed that 15 percent of total exports volume of MSMEs situated in Punjab have increased during 2008-09 to 2009-10. MSMEs are considered as the major growth chauffeur of the economy of Punjab state. The total employment created by MSMEs of Punjab state was 45 percent of total employed population of Punjab.

Srimannarayana (2016) estimated the MSME is facing several problems such as non-availability of marketing facilities, low-capacity utilization due to not utilizing of new technology, failure of co-operative movement. In the present survey, the socio-economic profile and the problems of silk weavers analyzed and trying to offer possible recommendations to address the problems and perspectives. This study was based on both primary and secondary data sources. A primary survey was conducted in six villages of Bhatiprolu cluster during the year 2013, consisting of 100 respondents chosen randomly. The results revealed that 30% weavers working are less than 30 years of age, 31% of weavers are coming under the age group of 46-60 year and about 18% weavers are married and 12% are unmarried weavers. This paper concluded that the situation of the weavers was worrying due to illiteracy, health problems, financial constraint and poor government support.

Ghai (2018) estimated that female labour force participation rate is increasing at about 27.4% in 2015-16. This paper utilizes a large cross-section of data sets such as the ILOSTAT, NSSO, labour bureau annual employment and unemployment survey, National family health survey and CMIE consumer pyramid household survey says female labour force participation rate is low in India. NSSO suggested woman of rural areas is highly employed as compared to urban areas. The research concluded that education in the current form alone might not be sufficient to spur growth in female labour force participation rates in India. Government schemes must aim the fundamental cultural and social forces that shape patriarchy.

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

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

RESEARCH METHODOLOGY

The paper is descriptive and exploratory in nature. The data used in this paper is mainly from the secondary sources. The data has been collected from secondary sources like: Research papers, Books, Articles, Annual Reports of government, Economic Surveys and MSME Census Report.

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.

PERCENTAGE 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.

PERCENTAGE 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)

This Table shows the analysis of enterprises owned by female entrepreneurs in rural and urban areas reveals that rural sector had 22.24% female entrepreneurs. Urban sector had 18.42% female entrepreneurs.

STATE WISE FEMALE OWNER DISTRIBUTION IN MSMEs (NSS 73rd round)			
Sr.No.	STATE	FEMALE	% SHARE OF FEMALE
1	West Bengal	2901324	23.42
2	Tamil Nadu	1285263	10.37
3	Telangana	972424	7.85
4	Karnataka	936905	7.56
5	Uttar Pradesh	862796	6.96
6	Andhra Pradesh	838033	6.76
7	Gujrat	826640	6.67
8	Maharashtra	801197	6.47
9	Kerala	495962	4.00
10	Rajasthan	380007	3.07
11	Madhya Pradesh	370427	2.99
12	Jharkhand	310388	2.51
13	Odisha	295460	2.38
14	Punjab	224185	1.81
15	Bihar	168347	1.36
16	Haryana	98309	0.79
17	Delhi	86742	0.70
18	Manipur	86604	0.70
19	Jammu & Kashmir	74785	0.60
20	Chattisgarh	71201	0.57
21	Assam	66665	0.54
22	Himachal Pradesh	50368	0.41
23	Meghalaya	39462	0.32
24	Tripura	28042	0.23
25	Puducherry	27072	0.22
26	Uttarakhand	20964	0.17
27	Nagaland	20865	0.17
28	Mizoram	13698	0.11

29	Goa	10815	0.09
30	Arunachal Pradesh	6274	0.05
31	Chandigarh	5560	0.04
32	Sikkim	5036	0.04
33	A & N Islands	4026	0.03
34	Dadra & Nagar Haveli	2629	0.02
35	Daman & Diu	1560	0.01
36	Lakshadweep	488	0.00
	ALL	12390523	100.00

(Source: MSME Annual Report 2023-24)

(Table No. 5)

India's Micro, Medium and Small enterprise is seeing high rates of women workers contrast to other industries even after facing so many problems. The numbers are also marvelously from state to state with 23.4 % proprietary MSMEs owned by women in West Bengal, the highest percentage, followed by 10.4% Tamil Nadu at the 2nd place, Telangana with 7.85% at the 3rd place, Karnataka with 7.56% at the 4th place, Uttar Pradesh with 6.96% at the 5th place, Andhra Pradesh with 6.76% at the 6th place, Gujrat with 6.67% at the 7th place, Maharashtra with 6.47% at the 8th place, Kerala with 4.00% at the 9th place, Rajasthan with 3.07% at the 10th place. Lakshadweep being the lowest of all the states stands at 36th place.

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:

1) 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).

2) 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)

3) 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.

4) 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**).

5) 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.

6) 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.

7) 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**).

MEASURES TO RESOLVE THE CHALLENGES

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. The statistics vary greatly from state to state, with West Bengal having the greatest percentage of women-owned proprietary MSMEs, followed by Tamil Nadu, which has fewer women in current leadership positions for MSME. 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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