



## AN IMPACT ASSESSMENT OF MICRO ENTERPRISES IN TELANGANA

**Atipamula Anasurya**  
Research Scholar  
Shri JJT University  
Rajasthan

**Dr. Shiv Kumar**  
Professor  
Shri JJT University  
Rajasthan

**Dr.D.Sucharitha**  
Director  
AERF  
Hyderabad

### ABSTRACT

*Women entrepreneurs" play an important role in local economies and a large percentage of micro-enterprises in developing countries are undertaken by women. Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. In developing country like India where economic status of women is very pathetic especially in rural areas and opportunities of earning are very less in this scenario the Self Help Groups (SHGs) have paved the way for economic independence of rural women. This paper reviews concisely the literature in this field and addresses in particular empowerment of women through rural entrepreneurship. This paper examines the impact of micro entrepreneurship development and SHGs on women empowerment.*

**Keywords:** Empowerment, Micro Enterprise, Micro Credit, Rural Entrepreneurship, Self Help Groups, Women Entrepreneurs

### INTRODUCTION

Micro enterprise is an effective instrument of social and economic development. The micro finance is agenda for empowering poor women. Micro enterprises are an integral part of planned strategy for securing balanced development of the economy of the poor women. Rural women"s participation in agro-based activities is much more than what statistics reveal. This is mainly due to the fact that most of the work done by the women at farm and home is disguised as daily chores. Mechanization and easy availability of labour provide more time to energetic women to themselves in self-employment or entrepreneur ventures. Rural women are having human and nonhuman resources to take up an enterprise need one an innovative mind and motivation. Entrepreneurship is a prime solution to the growing employment among rural youth. It helps to generate employment for a number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while

Taking care of their own home and livestock centered task. Rural women possess abundant resources to take up enterprises. Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. Women Entrepreneurs play an important role in local economies, and a large percentage of micro-enterprises in developing countries are undertaken by women. Increasingly women in urban and rural areas are successfully turning to self-generated employment in small-scale enterprise activities in the informal sector to support their households. Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. These responsibilities place heavy demands on women's time, and microenterprise activities can potentially increase the workload of women. Improving access to labour-saving technologies in any of these areas can free up time for income generating micro-enterprise activities. In many countries, women are the

majority of workers in nonstandard work, such as temporary, casual, multiple part time, contract and home-based activities. SHG is promoting micro enterprise through micro-credit intervention.

### LITERATURE REVIEW

**Dr. N. Subburaj [2023]** Women entrepreneurs are significant contributors to local economies, and they account for a sizable portion of microbusinesses in developing nations. In addition to taking care of household duties and raising children, rural women typically shoulder the majority of the burden for agricultural productivity. Self Help Groups (SHGs) have opened the road for economic independence of rural women in developing nations like India where the economic condition of women is quite deplorable, especially in rural regions, and prospects for earning are very limited. The literature in this topic is briefly reviewed in this essay, which focuses on the opportunities and difficulties experienced by female business owners in rural locations.

**Jain Jacob [2022]** Purpose This paper empirically evaluates the impact of micro-enterprises on women's empowerment. Subsequently, it assesses the mediating role of the performance of micro-enterprises on a four-dimensional model of women's empowerment. Design/ Methodology/ Approach A quantitative research approach and a cross-sectional research design were adopted in the study. Survey research and purposive sampling technique were used to select 384 individual respondents (women entrepreneurs under the Kudumbashree Mission of Kerala state in India). The data gathered from a structured questionnaire was used for confirmatory factor analysis, model fit evaluation, and making a structural equation model to test the proposed relationship in the four-dimensional model of women's empowerment.

**Oksana Mukhoryanova [2021]** This paper aims at investigating the predisposition leading to the sustainability of micro-enterprises in the digital economy, especially the sharing economy. This area represents a new field since the research of the impact of the sharing economy on small enterprises is still in its infancy. We study the role of the entrepreneurial approach and entrepreneurial philosophy of the small business with regard to the digitalization and the sustainable development and growth using examples from the European Union and the United States. Some common features and trends are derived and the outcomes are discussed. Our results point at the fact that by creating an economy for micro-entrepreneurs, the sharing economy thrives on traditional industry disrupted by technology.

**Morufu Olalekan Raimi [2020]** Health Impact Assessment (HIA) is a set of techniques that is used to examine the potential health effects of a proposed policy, program, or project which has globally generated significant interest over the past decade. It is a strong strategy for collaborating with other sectors to address the environmental determinants of health, and to achieve the most effective objectives for sustainable development goals. However, HIA could help bring attention to the broad determinants of health and suggest ways to promote healthy public policy in different sectors.

### Strengthening Micro-Enterprise Ecosystems

Companies need to be clear about how engaging and supporting micro-enterprises drives commercial objectives and strategies. Consider developing the business case over time and

leveraging the different business case phases as a means to build support and interest for the next phase. For example, being able to provide detailed research insights on micro-enterprises needs can act as a powerful lever to engage commercial functions in a discussion about potential solutions. Developing a business case is not a one size fits all process. Different internal stakeholders will potentially require a different, tailored business case dependant on their role and area of responsibility.

### **Socioeconomic characteristics of microenterprises**

Microenterprises are (i) important sources of employment, (ii) predominant in the economic landscape, and (iii) tend to be in the lowest tiers of the distributions of income, capital stock, and innovation activities. Understanding their characteristics is thus relevant for labor market efficiency, wealth distribution, and poverty reduction. Accordingly, in this section I explore their features and analyze how they have changed during the past two decades. I rely on the National Survey of Microenterprises (ENAMIN), which is extremely detailed and one of the best of its kind available for developing countries.

### **Micro Small and Medium Enterprises MSMEs**

Globally, the Micro, Small and Medium Enterprises (MSMEs) play a crucial role in employment generation and contribute significantly to overall economic activity. Micro, Small and Medium enterprises have been credited as noteworthy contributors in satisfying various socio-economic objectives such as higher growth of employment, creation wealth, innovation development, poverty alleviation promotion of exports and fostering entrepreneurship both in developed and developing economies of the world.

### **Micro Enterprises for Rural Women**

Enterprises from small scale to medium scale grouped together are called “Micro, Small and Medium Enterprises” (MSME). MSME is defined in India like this: “The Micro, Small and Medium Enterprises Development Act, 2006” of Government of India. According to the act MSMEs micro enterprise is classified on the basis of capital investment does not exceed Rs. 2.5 million in manufacturing sector and Rs.1 million for service sector. Micro enterprise is an effective instrument of social and economic development. It helps to generate employment for a number of people within their own social system.

### **Challenges of Micro, Small and Medium Enterprises**

There is no sector in an economy which does not face challenges and competition in growth and development; same is with the MSMEs sector of the economy. In the state of Telangana the challenges will become double as well as different from the other parts and states of the country because of political instability, difficult climate and geographical conditions. Under such harsh condition the existence of the large enterprises and industries in very difficult. It is only the small businesses and enterprises which can survive and work efficiently in the state of Telangana and are therefore called the backbone of the industrial sector of the state.

### **METHODOLOGY**

This study majorly focused on micro, small and medium enterprises located in industrial areas and prominent markets of Telangana. Various manufacturers, service providers, start-ups from the food industry, and textile manufacturing industry were interviewed as a part of the study. Both primary and secondary data was collected for the study. Secondary data was collected from specific reports, articles and other internet sources. Primary data was collected by personally interviewing people or sending them questionnaires. To capture a wide spectrum of problems different kinds of MSMEs were interviewed including manufacturing.

**RESULTS**

**Effect of age on capacity building**

There is no significant relationship between age and capacity building of the respondents. It is evident from the table.1 that the age of the respondents does not have any significant relationship with their capacity building.

**Table 1 Age of the respondents and capacity building**

Age	Mean	Std. Deviation	F	Sig.
Lessthan25years	3.4633	.68613	1.165	.325
26to30years	3.3709	.61580		
31to35years	3.3939	.68139		
36to40years	3.4703	.67622		
41to50years	3.5704	.74406		
Above51years	3.5853	.43777		
Total	3.4543	.67200		

Source: Output of SPSS

**Educational level of the respondents and capacity building**

There is no significant relationship between educational level of the respondents and capacity building

It is evident from the table 2 that the educational level of the respondents has significant relationship with their capacity building at 5 per cent level.

**Table .2 Educational status of the respondents and capacity building**

Educational status	Mean	Std. Deviation	F	Sig.
Illiterate	3.5625	.67342	3.118	<b>.026</b>
Up to S.S.L.C	3.4116	.66718		

Higher secondary	3.3948	.60378		
Degree and above	3.0067	.70365		
Total	3.4543	.67200		

Source: Output of SPSS

### Effect of period of membership on capacity building

There is no significant relationship between period of membership in group and capacity building.

It is evident from the table.3 that the period of membership in SHG is found to have a strong significant relationship with capacity building at 5 per cent level and improvement in awareness of the respondents and there exists a difference between the experienced members and recently formed groups. 450 respondents were classified into two groups i.e. SHGs formed in and before 2005 were classified in one group (178 respondents) and those SHGs formed during 2006 and 2007 (272 respondents) in another group. As shown in table 3 members of groups that were formed earlier have improved capacity building and knowledge and awareness than their counterparts in the recently formed groups.

**Table 3 Group formation and capacity building**

Year of group formation	Mean	Std. Deviation	F	Sig.
Groupsformedinandbefore2005	3.5467	.65500	5.626	<b>.018</b>
Groupsformedafter2005	3.3939	.67728		
Total	3.4543	.67200		

Source: Output of SPSS

### CONCLUSION

Despite positive outcomes, challenges persist, particularly concerning limited access to financial resources. Efforts should focus on enhancing financial inclusivity by providing easier access to credit facilities and financial literacy programs for aspiring entrepreneurs. Improving basic infrastructure, such as transportation and technology, is crucial for the efficient functioning of micro-enterprises. Strategic investments in infrastructure will contribute to the scalability and competitiveness of these enterprises.

Strengthening market linkages is essential for the sustained growth of micro-enterprises. Establishing platforms for connecting local products with broader markets, possibly through partnerships and collaborations, will enhance market visibility and competitiveness. Continued support from policymakers is vital. The development and implementation of policies that promote entrepreneurship, streamline regulatory processes, and provide incentives for sustainable practices will create a more conducive environment for micro-enterprise growth.

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