

THE ROLE OF MSME'S IN THE SOCIO ECONOMIC DEVELOPMENT OF WOMEN ENTREPRENEURSHIP

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ABSTRACT

Entrepreneurship is the future of modern society. It is observed that women entrepreneur networks are major source of knowledge about women's entrepreneurship and they are increasingly recognized as a voluble tool for its development and promotion of the 1.3 billion people who live in absolute poverty and the around the globe. 70% are women work two thirds to the worlds working hours. Women earn only 10% of the worlds income women own less than 1% of the worlds property. The focuses on the concept of women entrepreneurs in India and their attributes in business motives behind setting up off enterprise, challenges faced and available support systems.

KEYWORDS: *Women entrepreneurs, women development, challenges.*

INTRODUCTION

For centuries women were not treated as equal to men in so many ways. They were not allowed to owning equal property with the men or at least having own property. In some of the countries they have no voting rights, no freedom to choose their work at homes as well as offices and so on. Now there is a strong need for their development and empowerment through establishment of enterprises. Women enterprises are recognized as powerful tool for the socio economic empowerment of women. So the growth of the women enterprises and entrepreneurship becomes necessary in general.

Empowerment is giving legal and moral power to an individual in all aspects of life-social, economical, political, psychological, spiritual and religious, which are essential for the survival and overall development of mankind. Women inherently soft and hard working nature, which are important characteristics of an entrepreneur. So women can lead successful organizations.

NEED OF WOMEN ENTREPRENEURSHIP

Enterprises are playing a vital role in the development of women. It will create a lot of employment opportunities in the developed and developing countries. The main source of national income of the developing countries is from micro, small and medium enterprises. The micro and small enterprises are very easy to operate and establish.

Micro-enterprises

Micro and Medium Scale Enterprises (MMEs) are generators of quality employment and sustainable creators of wealth and therefore, MMEs are a powerful tool of poverty alleviation. MMEs provide income and employment for significant proportions of workers in rural and urban areas by producing basic goods and services for rapidly growing populations.

MME development is therefore increasingly being seen as an essential ingredient of broad based economic growth and significant contributor to well being of the women.

Definition of Micro, Small and Medium Enterprises in India

The Government of India had enacted the Micro, Small and Medium Enterprises Development (MSMED) Act 2006 on June 16, 2006, which was notified on October 2. Consistent with the notification of MSMED Act, the definition of micro, small and medium enterprises engaged in manufacturing or production and in providing or rendering of services is being modified, and is required to be implemented by the banks along with other policy measures with immediate effect.

In the Indian context, micro, small and medium enterprises as per the MSME Development Act, 2006 are defined based on their investment in plant and machinery (for manufacturing enterprise) and on equipments for enterprises providing or rendering services. According to the Micro, Small and Medium Enterprises (MSME) Development Act of 2006, (India) a micro enterprise is where the investment in plant and machinery does not exceed twenty five lakh rupees. A medium enterprise is where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees. A small enterprise is where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees. In the case of the enterprises engaged in providing or rendering of services, as (a) a micro enterprise is where the investment in equipment does not exceed ten lakh rupees. (b) a small enterprise is where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees. (c) a medium enterprise is where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

According to the Ministry of Micro, Small and Medium Enterprises, recent ceilings on investment for enterprises to be classified as micro, small and medium enterprises are as follows:

Micro-enterprise the smallest type of entrepreneurial enterprise, come in all shapes and forms, from subsistence business to firms that use relatively sophisticated production methods, display rapid growth, and directly linked to larger firms in the formal economy. They include street vendors, bike repair shops metal shops, bakeries, tailors, small agriculture producers and more.

Micro enterprises are very small income-generating business owned and operated by entrepreneurs who derive most of their livelihood from the business. Micro enterprises employ very few people and most are family members. They use very little capital and typically are unable to acquire loans from commercial banks.

Micro Enterprise is a very small business, providing goods or services for cash income. Beyond this simple definition lies a world of diverse experiences.

A micro-enterprise (or microenterprise) is a type of small business Generally speaking, in developed countries, microenterprises comprise the smallest end (by size) of the small business

sector, whereas in developing countries, microenterprises comprise the vast majority of the small business sector a result of the relative lack of formal sector jobs available for the poor. These micro entrepreneurs operate microenterprises not by choice, but out of necessity. Because microenterprises typically have little to no access to the commercial banking sector, they often rely on "micro-loans" or microcredit in order to be financed. Microfinance institutions often finance these small loans, particularly in the Third World. Those who found microenterprises are usually referred to as entrepreneurs. The terms microenterprise and micro business have the same meaning, though traditionally when referring to a small business financed by microcredit the term microenterprise is used. Similarly when referring to a small, usually legal business that isn't financed by microcredit, the term micro business is used.

WOMEN ENTREPRENEURSHIP

Women entrepreneurship is the process in which women initiate a business, gather all resources, undertake risks, face challenges, provides employment to others and manages the business independently. Approximately 1/3rd of the entrepreneurs in the world are women entrepreneurs. According to definition given by Government of India – “A women entrepreneur is defined as an enterprise owned and controlled by woman having a minimum financial interest of 51% of the capital and giving at least 51% employment generated to women”. Women entrepreneurship refers to business or organization started by a woman or group of women. There has been a change in role of women due to growth in education, urbanization, industrialization and awareness of democratic values.

INDUSTRIES PROMOTED BY WOMEN ENTREPRENEURS

- Agarbatti making
- Papad making
- Embroidery
- Handicrafts
- Catering Services
- Running restaurant, snack bars Small retail shops
- Beauty parlors
- Pickle manufacturing etc.

CATEGORIES OF WOMEN ENTREPRENEURS

Affluent Entrepreneurs-These are daughter and wives of wealthy businessmen. These women have the financial aid and the necessary resources to start a new enterprise and take business risks.

Pull factors – These are educated women living in urban areas with or without work experience who take the risk of a new enterprise with the help of financial institutions and commercial banks. These women take up a new business as a challenge in order to be financially independent.

Push factors-These women take up some business activity in order to overcome financial difficulties. Generally widows and single women manage an existing family business or develop a new business due to difficult family situations.

Rural entrepreneurs- These women belong to rural areas and choose a business suiting their resources and knowledge. Business carried out involves low investment, minimum risk and does not require any special skills.

Self-employed entrepreneurs- They are uneducated women who fall below the poverty line. They choose tiny and small enterprise which are convenient to manage and adequate for the sustenance of her family.

PROBLEMS FACED BY WOMEN ENTREPRENEURS

Women entrepreneurs face a difficulty due to specific women problems in india due to old traditions, socio-cultural norms, male dominant society, family responsibilities, Indian values and ethics.

Entrepreneurial problems

- Corruption in government agencies
- Price and availability of raw materials
- High competition in low technology products
- Financial problems
- Face technological obsolesce due to lack of support

Specific problems to women

- Mobility problems
- Family responsibilities and lack of support from family members
- Exploitation by middle men
- Women have to be dependent on men for doing work which requires muscular strength
- Women are perceived to be weak in the Indian society; hence men are preferred over women to face troubles and hardships related to an enterprise.

CONCLUSION

Entrepreneurship is presently the most discussed and encouraged concept all over the world to overcome economic challenges. Independence brought promise of equality of opportunity in all Sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. Women are willing to take up business and contribute to the nation's growth. Their role is being recognized and steps are taken to promote women entrepreneurship. Resurgence of entrepreneurship is the need of the hour. Women entrepreneurs must be molded properly with entrepreneurial traits and skills to meet changing trends and

challenging global markets, and also be competent enough to sustain and strive in the local economic arena

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