



RESEARCH ARTICLE

GROWTH OF WOMEN ENTREPRENEURSHIP IN MSME IN TAMIL NADU

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ABSTRACT

India is amongst the fastest growing countries in the world today, with a GDP growth rate of more than 9% during the Twelfth plan period. This high level of growth can be sustained only when all sections of the society, specially women become equal partners in the development process. Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSME is not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, reducing regional imbalances, assuring more equitable distribution of national income and wealth. The development of women entrepreneurship has become an important aspect of our plan priorities. Government has taken several measures to encourage women entrepreneurs to set up small scale and micro enterprises through the schemes of MSME sectors. This paper mainly focused on the growth of women entrepreneurship in MSME sector. The main objective of this study is to know the growth and performance of MSME Sector in India and to highlight the Current Scenario of women entrepreneurs in Tamil Nadu.

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INTRODUCTION

MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. Indian MSMEs contribute 45% of manufacturing output, 40% of total export with projected employment of 73.2 million during the period 2012–14. There are 34 million MSMEs producing more than 6,000 products having a 17% share of GDP in 2011, and 22% in 2012. In 2004–05, public sector banks provided the sector with loans amounting to USD13,000 million, with USD27,000 million in 2009–10, and USD40,000 million in 2011–12. Economic growth relating to per capita GDP (measured in Power Purchasing Parity) and also finding out how MSMEs contribute to the national economy by providing more employment opportunities and innovative growth. MSMEs play a important role to improve women entrepreneurship in India.

Women entrepreneurship

Entrepreneurship refers to setting a new business to take advantages from new opportunities. It is an economic activity which is undertaken by an individual or group of individuals. It

can be defined as the making of a "new combination" of already existing materials and forces; that entrepreneurship throws up as innovations, as opposed to inventions and that no one is entrepreneur for ever, only when he or she is actually doing the innovative activity. National Knowledge Commission 2008 defined entrepreneurship as 'Entrepreneurship is the professional application of knowledge, skills and Competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo or diversifying from an existing one (distinct from seeking self employment as in a profession or trade), thus to pursue growth while generating wealth, employment and social good'. Women entrepreneurship is the process where women organise all the factors of production, undertake risks, and provide employment to others. Women are taking interest in the Entrepreneurship in present years than past. A woman entrepreneur is one who starts business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women are vital development agents who can play a significant role in the economic development of a nation, but they should have an equal access to productive resources, opportunities and public services. It has also been realised in the last few years that the widespread poverty and stunted economic growth can be overcome only by gainful and sustainable economic participation of women.

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Literature review

Jayan (2013) had observed that today with the growth of Micro, Small and Medium Enterprises, many women have plunged into entrepreneurship and also running their enterprises successfully. It shows that the trend in growth of small scale industries during the last ten years and the level of investment, employment has increased. There is significant factors to keep success of their job were achievement and human relation.

Kerosi Josephat Bosire and Kayisme Nzara (2013) had ascertained that entrepreneurship training leads to better business practices and increased revenues and profits. In this study, lack of entrepreneurship training was identified as one of the key factors that limit the growth of Small and Medium Enterprises of Co-operative des Artistes Plasticiens de Kigali (CAPLAKI) members. They need to be equipped with such skills as separating money between business and household, reinvesting profits in the business, maintaining records of sales and expenses and thinking proactively about new market and opportunities for profitability.

Ponsindhu and Nirmala (2014) had explained the available schemes and subsidy in Micro, Small and Medium Enterprises to existing and budding women entrepreneurs. The existing women entrepreneurs are availing the schemes like Micro and Small Enterprises Cluster Development Programme, Technology Up gradation and marketing development export promotion etc. with special subsidies and benefits. The budding women entrepreneurs are availing the schemes such as Trade Related Entrepreneurship Assistance and Development, Entrepreneurship Development Programmes etc.

Priti Gowswami and Yashwant Singh Jhakur (2015) had reviewed the motivating factors of women to be the entrepreneur in the growth of Micro, Small and Medium Enterprises in India. Women Entrepreneur are facing problems but as now scenario is fast changing with modernization, urbanization and development of education and business more and more women are successfully running the business. Thus it is necessary to increase the opportunities of self-employment for educated un-employed women through development of entrepreneurship.

Objectives

- To study the growth and performance of MSME in India
- To know the growth and performance of MSME in Tamil Nadu.
- To study the Current Scenario of women entrepreneurs in Tamil Nadu.

Methodology

The study has been on secondary data gathered from various published sources such as annual reports of MSME, relevant Journals, economic reviews and websites.

Micro, Small and Medium enterprises sector

MSME sector is the major base of manufacturing sector in India with its contribution of over 45% in overall industrial output. To achieve the ambitious targets of National

Manufacturing Policy, the Working Group on MSME Growth looks forward to enhance the growth rate of the MSME sector substantially from the existing level of 12 - 13 % growth rate per annum. The Government of India, supplements the efforts of the State Governments through various initiatives. The role of the MoMSME and its organisations is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario. The schemes or programmes undertaken by the Ministry and its organisations seek to facilitate and provide the adequate flow of credit from financial institutions or banks and more support for women entrepreneurship. The number of establishments and also employments are increased.

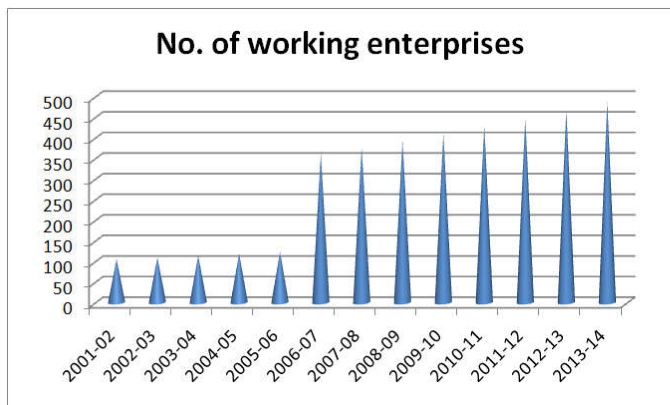
Table 1. Year wise performance of msme, employment and investments

Year	Total Working Enterprises (in Lakh)	Employment (in Lakh)	Market Value of Fixed Assets (Rs. in Crore)
2001-02	105.21	249.33	154,349.00
2002-03	109.49	260.21	162,317.00
2003-04	113.95	271.42	170,219.00
2004-05	118.59	282.57	178,699.00
2005-06	123.42	294.91	188,113.00
2006-07	361.76	805.23	868,543.79
2007-08#	377.36	842.00	920,459.84
2008-09#	393.70	880.84	977,114.72
2009-10#	410.80	921.79	1,038,546.08
2010-11#	428.73	965.15	1,105,934.09
2011-12#	447.66	1,011.80	1,183,332.00
2012-13#	467.56	1,061.52	1,269,338.02
2013-14#	488.46	1,114.29	1,363,700.54

Source: MSME Annual Report 2014-2015 (# Projected)

Table 1 shows that the growth and performance of MSME, employment and investments from the year 2001-02 to 2013-14 in India. In the year 2001-02, the total number of working enterprises were 105.21 lakhs, the total number of employment was 249.33 lakh and investment in the market value of fixed assets were Rs. 154,349.00 crores. In the year 2002-03, the total number of working enterprises increased to 109.49 lakhs, the total number of employment increased to 260.21 lakhs and investment in the market value of fixed assets also increased to Rs. 162,317.00 crores. In the year 2003-04, the total number of working enterprises increased to 113.95 lakhs, the total number of employment increased to 271.42 lakhs and investment in the market value of fixed assets also increased to Rs. 170,219.00 crores. In the year 2004-05, the total number of working enterprises increased to 118.59 lakhs, the total number of employment increased to 282.57 lakhs and investment in the market value of fixed assets also increased to Rs. 178,699.00 crores. In the year 2005-06, the total number of working enterprises increased to 123.42 lakhs, the total number of employment increased to 294.91 lakhs and investment in the market value of fixed assets also increased to Rs. 188,113.00 crores. In the year 2006-07, the total number of working enterprises increased to 361.76 lakhs, the total number of employment increased to 805.23 lakhs and investment in the market value of fixed assets also increased to Rs. 868,543.79 crores. In the years 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13, the total number of working enterprises increased to 377.36 lakhs, 393.70 lakhs, 410.80 lakhs, 428.73 lakhs, 447.66 lakhs and 467.56 lakhs, the total number of employment increased to 842.00 lakhs, 880.84 lakhs, 921.79 lakhs, 965.15 lakhs, 1,011.80 lakhs and 1,061.52 lakhs, and investment in market value of fixed assets also increased to

920,459.84 crores, 977,114.72 crores, 1,038,546.08 crores, 1,105,934.09 crores, 1,183,332.00 crores and 1,269,338.02 crores respectively. During the year 2013-14, the total number of working enterprises again increased to 488.46 lakhs, the total number of employment increased to 1,114.29 lakhs and investment in fixed assets also increased to 1,363,700.54 crores. It depicted the growth of MSME sector in our country.



Graph 1. Performance of Enterprises in India

Graph 1 shows that the growth and performance of working enterprises in India from the year 2001-02 to 2013-14. It goes in a gradual increasing trend.

MSME in Tamil Nadu

Tamil Nadu is considered a leading industrial state in India and a major manufacturing centre. There has been a phenomenal growth of MSMEs in Tamil Nadu. The sector produces a wide variety of products in almost all fields, the prominent among them are the Textile, electronic products, engineering products, auto ancillaries, leather products, chemicals, plastics, garments jewellery etc. There are 12.94 Lakh registered number of units in the State, providing an employment opportunities to about 80.81 Lakh persons. Since 2007-08 around 7.22 Lakh Entrepreneurs have filed EM Acknowledgement Part-II, providing Employment opportunities to about 41.41 Lakh persons with total investments Rs.1,09,074.17 Crore. Consequent to the introduction of UDYOG AADHAAR MEMORANDUM (UAM) by the Ministry of Micro Small & Medium Enterprises GOI, Tamil Nadu started the UAM implementation w.e.f 21.1.2016. As on 31.3.2016, 41,656 UAMs have been filed in Tamilnadu, comprising of 35,487 Micro enterprises and 6,012 Small Enterprises and 157 Medium Enterprises providing Employment to 2,96,687 with total investment of Rs.6,218.69 Crore.

Table 2 shows that the trend in growth performance of MSME in Tamil Nadu from the year 2007-08 to 2015-16. In the year 2007-08, the total number of enterprises registered was 27209, it provided employment opportunities to 242855 persons with total investment 2547.14 crores and the value of production 8739.95crores. In the year 2008-09 the number of registered enterprises increased to 32049 units, the total number of employment increased to 294255 persons, the investment also increased to 3557.89 crores and the value of production also increased to 13354.86crores. In the year 2009-10, the number of registered enterprises increased to 41799 units, the total number of employment decreased to 151743 persons, the investment decreased to 3214.22 crores and the value production also decreased to 10880.01crores. During the years

2010-11, 2011-12 and 2012-13, the total number of registered enterprises increased to 57902, 70758 and 83348, the total number of employment increased to 294255, 502381 and 583436 persons, the investment also increased to 5872.37, 7429.59 and 8751.54crores and the value of production also increased to 12500.86, 15496.00 and 17503.08crores respectively. In the year 2013-14, the total number of registered enterprises increased to 116393, but the total number of employment decreased to 494990 persons, the investment increased to 18939.87crores and the value of production decreased to 16832.25crores. In the year 2014-15, the total number of registered enterprises increased to 143104, the total number of employment increased to 651180 persons, the investment also increased to 24349.65crores and the value of production decreased to 59789.70crores. In the year 2015-16, there are 142136 units registered and 41656 units registered in UAM, the total number of employment provided to 815315 persons with the total investment 34411.90crores and the value of production is 59332.19 crores. Presently there are more units registered in MSME with high investment and more persons are employed and yield high production.

Growth of women entrepreneurship in MSME

Entrepreneurship has grown rapidly, visibly so, creating wealth and generating employment, especially in the past twenty years. And in present time women are an emerging economic force. Women’s equal access and control over economic and financial resources is critical for the achievement of gender equality and empowerment of women as well as equitable and sustainable economic growth and development. In India female headed households were 11.5 % in rural areas whereas this was 12.4% in urban areas as per 68th round of NSS, 2011-12. Female literacy rate was 65.46 % as per Population Census 2011. Further, work force participation rate for female was 25.51 as per Population Census 2011. Women have started playing important roles in decision making at all levels. It has been observed that 8.05 million out of the total 58.5 million establishments were run by women entrepreneurs in India which is around 13.76 % of the total number of establishments. Total workers engaged in women owned & run establishments were 13.48 million persons, which is 10.24% of the total number of workers engaged in India under different economic activities.

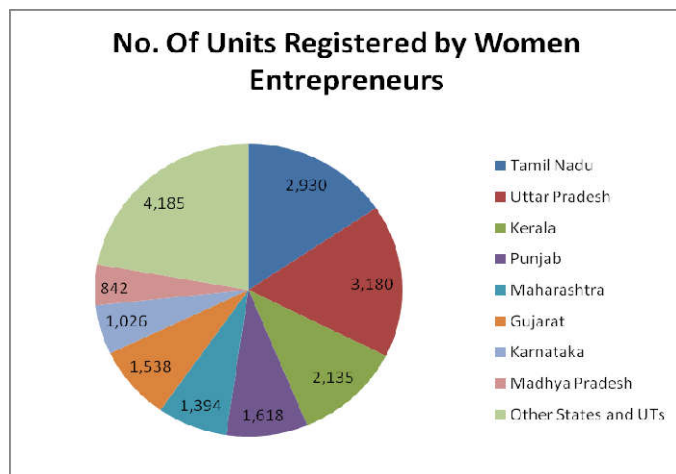


Table 3 depicted that the number of women entrepreneurs registered in some state of India. In Tamil Nadu ranks second in women entrepreneur’s registration but recently it ranks first in India.

Table 2. Trend in the Growth of MSMEs in Tamil Nadu

Year	Number of Registered units	Investment (Rs. in crore.)	Production (Rs. in crore.)	Employment (Numbers)
2007-08	27209	2547.14	8739.95	242855
2008-09	32049	3557.89	13354.86	294255
2009-10	41799	3214.22	10880.01	151743
2010-11	57902	5872.37	12500.86	405233
2011-12	70758	7429.59	15496.00	502381
2012-13	83348	8751.54	17503.08	583436
2013-14	116393	18939.87	16832.25	494990
2014-15	143104	24349.65	59789.70	651180
2015-16	142136	34411.90	59332.19	815315
(up to 21.1.2016)				
UAM (as on 31.3.2016)	41656	6218.69	-	296687

Sources: Micro, Small and Medium Enterprises Department, Policy Note 2016 –2017, Demand No.44

Table 3. Numbers of Women Entrepreneurs Registered in India

States	No of Units Registered	Rank	No of Women Entrepreneurs	Rank	Percentage
Tamil Nadu	9,618	1	2,930	2	30.36
Uttar Pradesh	7,980	2	3,180	1	39.84
Kerala	5,487	3	2,135	3	38.91
Punjab	4,791	4	1,618	4	33.77
Maharashtra	4,339	5	1,394	6	32.12
Gujarat	3,872	6	1,538	5	39.72
Karnataka	3,822	7	1,026	7	26.84
Madhya Pradesh	2,967	8	842	8	28.38
Other States and UTs	14,576	9	4,185	9	28.71
Total	57,452		18,848		32.82

Source: Report of MSMEs, 12th Five year plan 2012-2017. (CMIE Report)

Table 4. Total number of Establishments and Persons Employed under women entrepreneurship by type of establishment

	Tamil Nadu	India
Number of Establishments by type		
Without Hired Workers	793646	6697354
With at least One Hired Worker	293963	1353465
All	1087609	8050819
Percentage share of establishments	13.51	100.00
Total Number of Persons employed		
Without Hired Workers	1051776	8673957
With at least One Hired Worker	804910	4774225
All	1856686	13448182
Percentage share Intotal employment	13.81	100.00

Source: 6th Economic Census – March 2016

Totally 32.82 percent of women registered as entrepreneurs from the starting period of twelfth five year plan. Now it is increasing. Tamil Nadu stands first out of the total number of units registered in India. Regarding the number of women entrepreneurs in India, the first place goes to Uttar Pradesh followed by Tamil Nadu which holds the second place. It is understood from the table that Tamil Nadu has taken more steps to improve the growth and development of women entrepreneurs in Tamil Nadu with the help of financial institutions and government agencies.

Establishments and Employment

The total number of establishments owned by women entrepreneurs was 8,050,819 out of which 5,243,044 constituting about 65.12 % of the total establishments were located in rural areas and the remaining 2,807,775 (34.88%) were located in urban areas. Further, about 6,697,354 establishments i.e., 83.19% operated without hired workers and 1,353,465 (16.31%) operated with hired workers. The percentage of establishments without hired workers in rural areas was 86.85% whereas, in urban areas, it was 76.33%. The number of women establishments involved in agricultural

activities was 2,761,767 constituting 34.3 % of the total number of establishments owned by women. The number of women entrepreneurs has grown over the years in Tamil Nadu, especially in the 1990s. It is estimated that presently women entrepreneurs comprise about 30 per cent of the total entrepreneurs in Tamil Nadu. As many as 13.5% of female-run establishments (1.08 million) are based in Tamil Nadu, more than any other state, followed by Kerala (0.91 million) and Andhra Pradesh (0.56 million).

Table 4 shows that the total number of establishments and persons employed under women entrepreneurship by type of establishment. The number of establishments without hired workers in India is 6697354 whereas, in Tamil Nadu it is 793646. The number of women establishments with at least one hired worker in India is 1353465 whereas in Tamil Nadu it is 293963. 13.51 percent of female-run establishments are registered in Tamil Nadu. The total number of persons employed in establishments owned by women without hired workers is 8673957 in India where as it is 1051776 in Tamil Nadu. The total number of persons employed in establishments owned by women with at least one hired worker in India is 4774225 whereas in Tamil Nadu it is 804910. The percentage

share in total employment is 13.81 in Tamil Nadu. This state takes more effort to improve women entrepreneurship in India.

Suggestions

Women are receiving education, they face the prospect of unemployment. In this background, self employment is regarded as a cure to generate income. The Planning commission as well as the Indian government should recognize that the need for women to be part of the mainstream of economic development. Women entrepreneurship should be encouraged to generate employment and innovation in production. The small scale industry plays an important role absorbing around 80% of the employment. The modern large scale industry cannot attract much of women to invest large and produce more. The Government should initiate some steps to take women entrepreneurs into medium and large scale industries.

Conclusion

In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. Women entrepreneurs are increasing their entrepreneurial activity in every state in India. The women entrepreneurs could be trained and educated in order to make them successful with regard to access to capital, marketing of their products, creation of assets, selecting the form of enterprises and the nature of industry with the help of Micro, Small and Medium Enterprises. However it is playing a remarkable role in widening the base of industrial entrepreneurship in India.

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