

Role of Women Entrepreneurs of Micro, Small and Medium Enterprises (MSMES) In New Normal with Special Reference to West Bengal

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ABSTRACT

MSME sector plays a significant role in Indian economy to boost up employment opportunity, entrepreneurial endeavor, and betterment of the GDP, injecting positive growth in export and enhancing per capita income of the rural families of India. But, the poor participation of the women population is one of the major challenges for the overall growth of this sector. The aim of the paper is to show the status of the women MSME entrepreneurs of West Bengal as compared to other states of India. It also aims to find out the challenges faced by the women MSME entrepreneurs during this new normal and policies adopted by the Government to combat with the challenges. In new normal, MSMEs are facing a number of challenges like liquidity crisis, issues of migrating workers, scarcity of required inputs etc. Major schemes of the West Bengal Government like Banglashree, Karma Sathi Prakalpa etc. have played a game changer for the women entrepreneurs in MSMEs especially during the new normal. The 'Silpa Disha' mobile app as well as the 'Silpa Sathi' window portal was launched.

Key words: MSME, New Normal, West Bengal, Women MSME entrepreneurs, Silpa Disha, Silpa Sathi

INTRODUCTION

Entrepreneurship has increasingly been recognized as a crucial solution to the persistent issue of unemployment. As per the Report of the Task Force on Employment Opportunities (2001), the informal economy has substantial potential to create large-scale employment opportunities. The significance of entrepreneurship becomes even more pronounced in the aspect of India's rapidly increasing population. According to the latest United Nations data published by Worldometer on 20 December 2021, the population of India was estimated at 1,399,865,149. In the state of West Bengal, the estimated population in 2021 stood at 100,896,618, out of which nearly 51 percent (%) were male and 49 percent (%) female.

Entrepreneurship is the ultimate solution of the 'unemployment'. As per the report of the Task Force on Employment opportunities, July, 2001, the informal economy will generate a large number of employments (Source: Laghu Udyog Samachar, 2016). As per the World meter elaboration of the latest United Nations data, the current population of India is 139, 98, 65,149 dated 20th December, 2021 (<https://www.worldometers.info/world-population/india-population/>). The total estimated population of West Bengal in 2021 is 10, 08,96,618 and out of these, 51% are male and 49% are female. The Economic freedom is one of the key facets of life-transforming for the women who are contributing almost 50 percent in demography of India though they are the depriving and neglecting stake of our society. Gradually, the Indian scenario is changing with the active participation of women in economic activities. The increase number of women participation not only empowered women but also depicts a demographic change in our society.

'Women entrepreneurs' are the women who establish and run her own businesses. As GOI, women entrepreneurship is the enterprise owned and controlled by women having a minimum share of 51% in capital and giving employment at least 51% to women.

Since inception, a total of 1.38 lakh projects were launched by the women entrepreneurs under Prime Minister's Employment Generation Program (PMEGP) scheme (Source: msme.gov.in). GOI has also taken several steps for the women empowerment and safety, namely, Beti Bachao, Beti Padhao, Stand Up India, Mission Indradhanush, Mudra Yojana Scheme, Trade Related Entrepreneurship Assistance & Development scheme, Mahila Udyam Nidhi Scheme, Annapurna Scheme, Stree Shakti package, Bhartiya Mahila Business Bank Loan, Dena Shakti Scheme etc

The Small and Medium Enterprises ("MSMEs" hereafter) sector plays a central role in the Indian economy. 63 million MSME enterprises employ 110 million individuals in India and became the second largest employment generator after agriculture (Source: MSME Annual Report 2020-2021). MSMEs' GVA in all India GDP at current prices (2011-12) for the year 2018-19 and 2019-20 were 30.5 percent and 30.0 percent respectively. In all India manufacturing gross value output, the MSMEs' shares were 36.9% and 36.9% respectively during 2018-19 and 2019-20. Share of specified MSME related products' export to All India exports were 49.8% and 49.5% respectively during 2019-20 and 2020-21. Under the Prime Minister's Employment Generation Program, the estimated numbers of persons employed in micro enterprises during the year 2020-21 and 2021-22 (as on 1st July, 2021) are 5.95 lakh and 1.19 lakh respectively. (Source: Write up in Rajya Sabha today by Shri Narayan Rane, Union Minister for MSME)

Demonetization and goods and services tax (GST) led to an increase in compliance costs and other operating costs for MSMEs and most of them were brought into the tax net. The MSME, however faces operational problems due to its size and nature of business, and is, therefore, relatively more susceptible to various shocks to the economy.

LITERATURE REVIEW

Sharma (2013) concluded that 'women entrepreneur' means a woman who established and managed enterprise by taking some initiatives and risks and highlighted the major challenges faced by Indian women entrepreneurs, their success stories and factors influencing women entrepreneurship. **Vinesh (2014)** showed that the role of women in our society has changed a lot and now they are taking active part in the economic development of the country by establishing their own businesses. **Rao (2016)** revealed that the growing presence of women as entrepreneur in the business sector has made a big demographic change in the economic growth of the country. **Tiwari (2017)** opined that the female participation in entrepreneurship in India is very poor as compare to their stake in the total population and urged the needs of major interventions to boost up women entrepreneurs in India. **Ilahi (2018)** outlined the obstacles faced by the female entrepreneurs and major initiatives to foster the growth of women entrepreneurs. **Korreck (2019)** highlighted the reasons of low female entrepreneurship rates in India and offers a set of recommendations that may help the entrepreneurial empowerment of women. **Nair et al (2020)** evaluated the probable impact of the prolonged period of stoppage of several economy activities during Covid-19 pandemic and analyzed the strategies for the policy recommendations to alleviate the hard situation of the economy. **Begum et al (2021)** opined that the contribution of women entrepreneurship in Indian economy is remarkable and identified the influencing factors of women entrepreneurs to start their businesses and groom their personalities accordingly. **Lakshmanawati et al (2021)** found that the adaptation of the digitalisation to run business activities like digital marketing, development of the new product, creative innovations etc would explore the development of women entrepreneurs.

RESEARCH GAP

Based on our literature review, we found that no study has been conducted on the women MSME entrepreneurs in new normal. So, we want to identify if there is any challenge faced by women MSME entrepreneurs during Covid-19 pandemic lockdown and different Govt. initiatives taken to tackle and overcome this situation.

OBJECTIVE OF THE STUDY

- i) To show the present status of women MSME entrepreneurs with special reference to West Bengal

- ii) To find out the challenges faced by the women entrepreneurs in MSME sector during Covid-19 pandemic
- iii) To enumerate different Govt. initiatives to overcome these challenged in India as well as in West Bengal

RESEARCH METHODOLOGY

- i) **Type of the study:** The study is qualitative and descriptive in nature;
- ii) **Data Sources:** Data are collected from secondary sources only. Secondary data are collected from several books, journals and relevant electronic media. Published reports of the central government as well as the state government were also used for the study;
- iii) **Data Analysis:** Statistical as well as Logical derivations are taken into consideration to analyse the data;
- iv) **Tools Used:** The study used tables, comparison charts, figures, percentage technique to interpret the data;

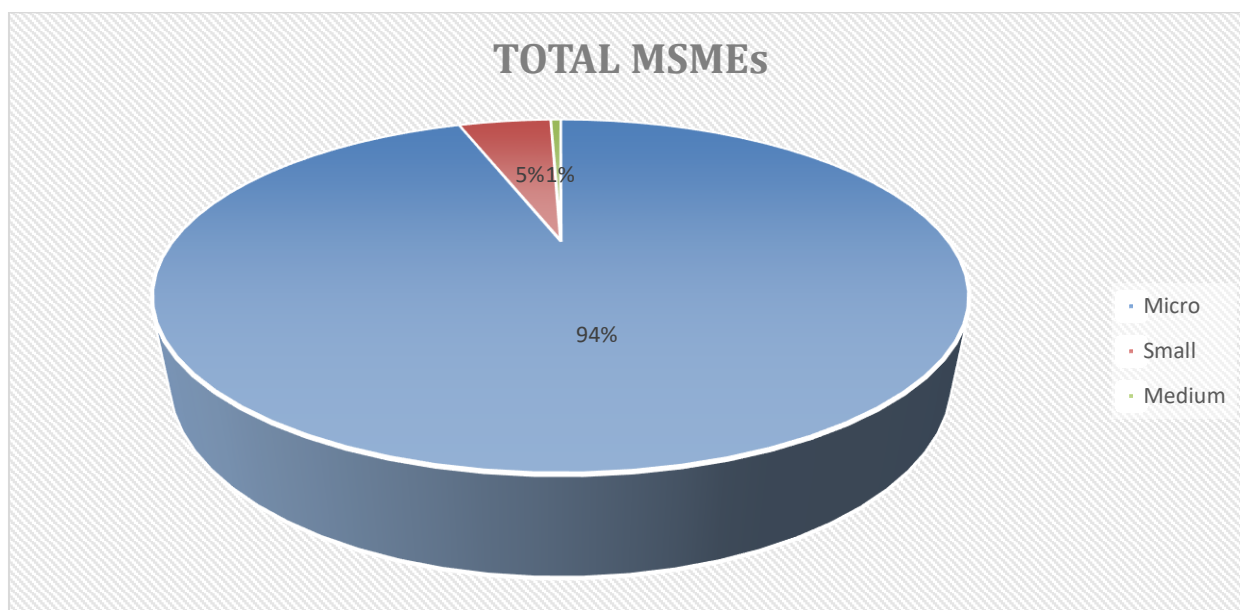
ANALYSIS AND FINDINGS

- **Present status of women MSME entrepreneurs in India with special reference to West Bengal**

Table: 1 Total Number of Registered MSMEs in India (up to 17.12.2021)

Types of enterprises	Total number
Micro	58,07,839
Small	3,05,128
Medium	33,602
Total Registration	61,46,569

(Source: udyamregistration.gov.in)



As per the updated details of Udyam Registration portal, out of the total registered MSMEs, a major stake i.e., almost 94% is held by Micro enterprises followed by 5% and 1% are associated with small and medium enterprises respectively.

Table: 2 Percentage distributions of enterprises owned by Male/ Female entrepreneurs in India (category wise)

Category	Male	Female	Total
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100

(Source: MSME, Annual Report, 2020-21)

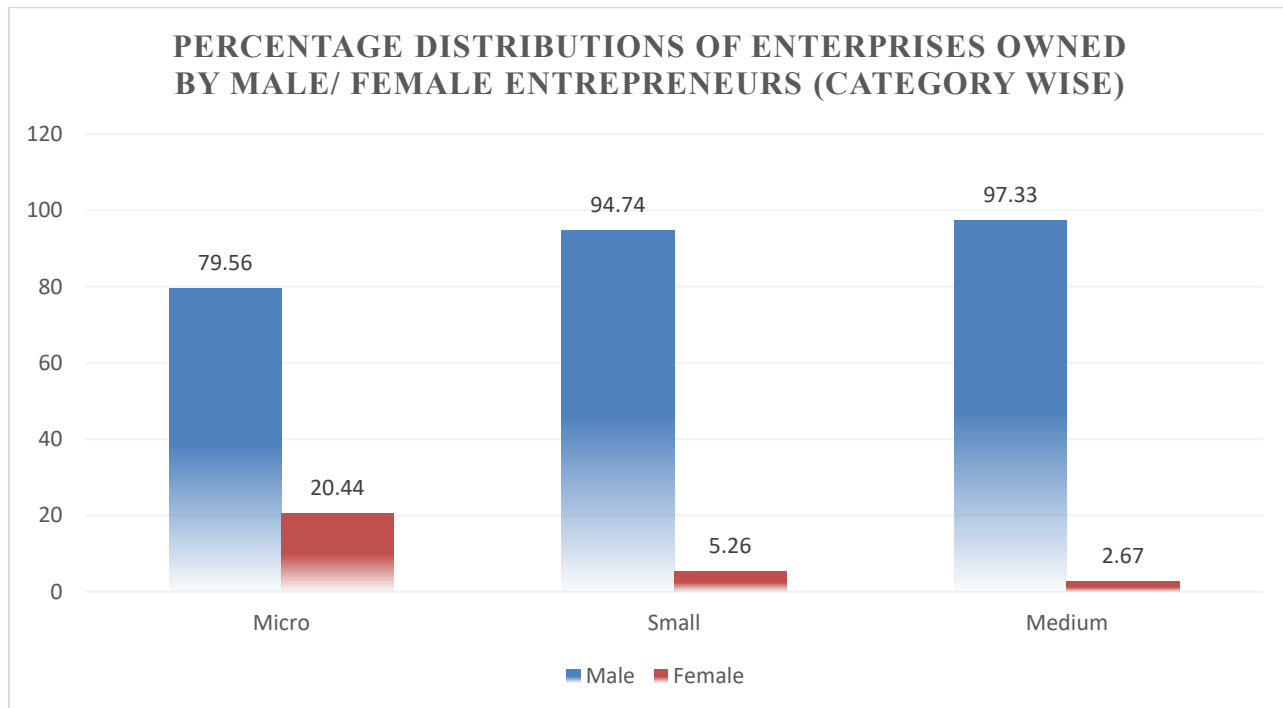
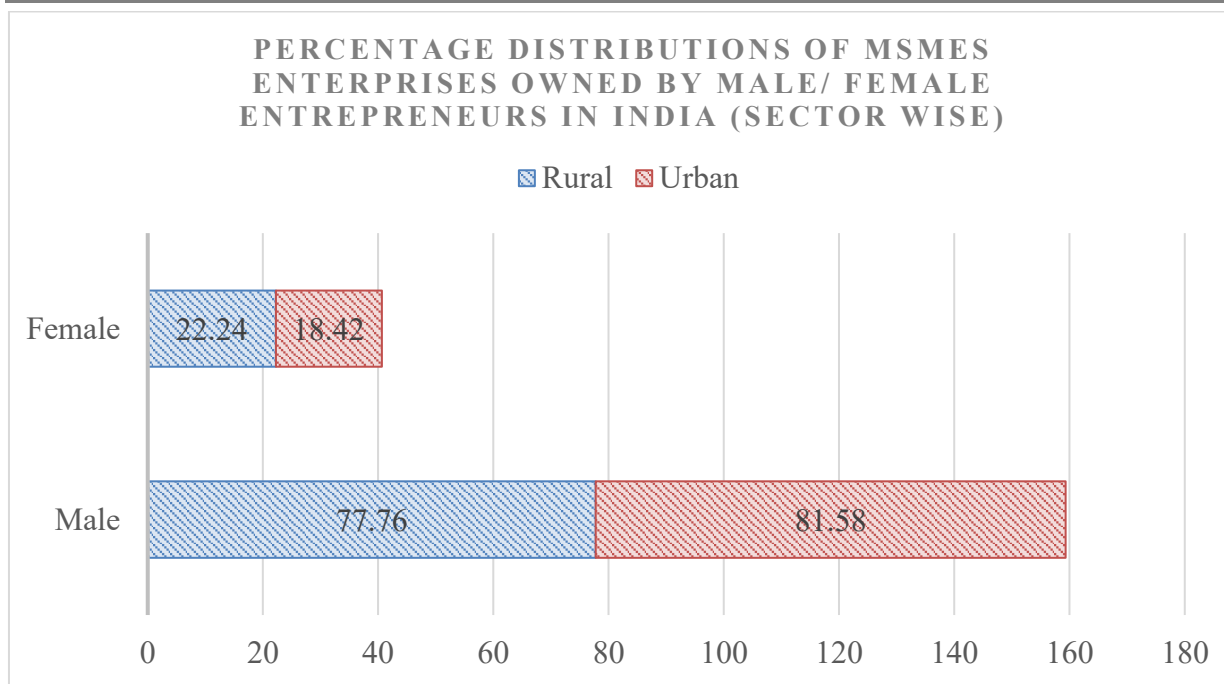


Table-2 shows that, among female MSME entrepreneurs of India, the highest participation is associated with Micro enterprises (20.44%) as compared to small (5.26%) and medium (2.67%) enterprises. The table also revealed a miserable scenario. The women population percentage in India is near about 50% but their participation in MSME sector is only 20.37%. The lion’s shares for all the three types of enterprises- micro, small and medium, are enjoyed by male entrepreneurs i.e. 79.56%, 94.74% and 97.33% respectively. In case of Medium enterprises, the male participation is maximum i.e., 97.33% as compared to women participation.

Table: 3 Percentage distributions of MSMES enterprises owned by Male/ Female entrepreneurs in India (sector wise)

Sector	Male	Female	Total
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

(Source: MSME, Annual Report, 2020-21)

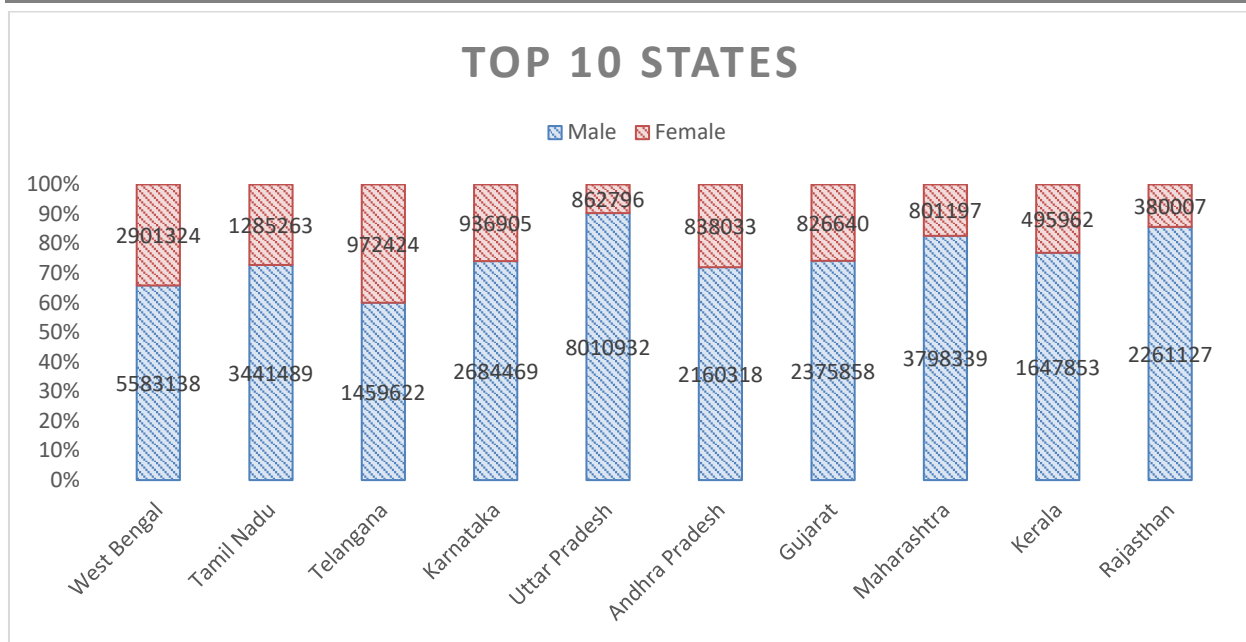


It is observed that rural women are more active in this field as compared to urban women. Table-3 shows that in rural sector, male-female participation gap is 55.52% whereas, in urban sector, this (male-female participation in ownership of MSMEs) gap is 63.16%, which is quite high as compared to rural sector. We found that the overall participation of women entrepreneur is merely 1/5 as compared to male which is a serious matter of concern. Moreover, the MSME Annual Report showed that, the total number of women owned proprietary MSME is 1,23,90,523 which is only 20 percent of total MSMEs.

Table: 4 Share of top Ten States among all MSMEs with male/female entrepreneurs

Sl No.	States of India	Male	Female	Total	Share of state among all MSMEs with male entrepreneurs (%)	Share of state among all MSMEs with female entrepreneurs (%)
1	West Bengal	5583138	2901324	8484462	11.52	23.42
2	Tamil Nadu	3441489	1285263	4726752	7.10	10.37
3	Telangana	1459622	972424	2432046	3.01	7.85
4	Karnataka	2684469	936905	3621374	5.54	7.56
5	Uttar Pradesh	8010932	862796	8873728	16.53	6.96
6	Andhra Pradesh	2160318	838033	2998351	4.46	6.76
7	Gujarat	2375858	826640	3202499	4.90	6.67
8	Maharashtra	3798339	801197	4599536	7.84	6.47
9	Kerala	1647853	495962	2143816	3.40	4.00
10	Rajasthan	2261127	380007	2641134	4.67	3.07

(Source: MSME, Annual Report, 2020-21)



NSS 73rd Round revealed that the total number of women owned MSMEs in India is 1, 23, 90,523. The said data also disclosed that more than 20% proprietary of MSMEs are owned and controlled by women. Table 4 shows that female owned MSMEs are highest (23.42%) in West Bengal as compared to other states. We found that the women MSME entrepreneurs of West Bengal are much higher as compared to male. This scenario is just reverse to the overall Indian scenario. The difference in male-female proprietary MSMEs of West Bengal is higher than 10% whereas in other states this gap is less than 10%. It indicates that women MSME entrepreneur of West Bengal can be the game changer in new normal of the state’s economy as they are enjoying more self-employment opportunity as compared to male.

• **Challenges faced by the women entrepreneurs in MSME sector during Covid-19 pandemic**

MSMEs of India faced lots of difficulties due to improper supply chain systems and intra-state lockdown provisions. It is not only the enterprise which faced challenges; even consumers are left with lower disposable income. Many enterprises laid-off their workers because of inability to pay salaries, vacated their offices due to incurring expenses and halted their production due to stopped demand. Ambiguity in future trade and bounce back of new normal is keeping financial institutions at bay for extending any new financial lending or cover potential risk. This all-round uncertainty needed a push by government, to boost market confidence and bring back regular cash flow in economy. Some enterprises innovated their ways by switching their focus from non-essential commodities towards essential commodities; like production of hand sanitizer and toiletries, PPE kits, reusable masks, etc. and are able to survive in tough times.

Due to Covid-19 crisis, women entrepreneurs are facing a major threat of work-life balance related issues and uncertain family support system. They have to bear double burden of work- business and household. Almost 37% women entrepreneurs have identified major downfall in their sales, 60% of them have detected uncertainty about the investment relate issues as well as 50% of women entrepreneurs reported family care as their top priority (Source: Lipiner, 2020). Another study showed that more than 11% women MSMEs were shutdown during COVID 19 pandemic and only 1% of them got back on feet with Govt. help.

This study infers that if the women are not focusing the bird’s eye view for their business, it is not possible for them to grow high in new normal.

• **Govt. Initiative to overcome these challenged in India as well as in West Bengal**

After a massive hit in economy by Covid-19 pandemic, the Government of India announced an elaborate relief package namely, ‘Atmanirbhar Bharat’ or ‘Self-reliant India’. This scheme was specially focusing on the MSME sector. The following measures were taken:

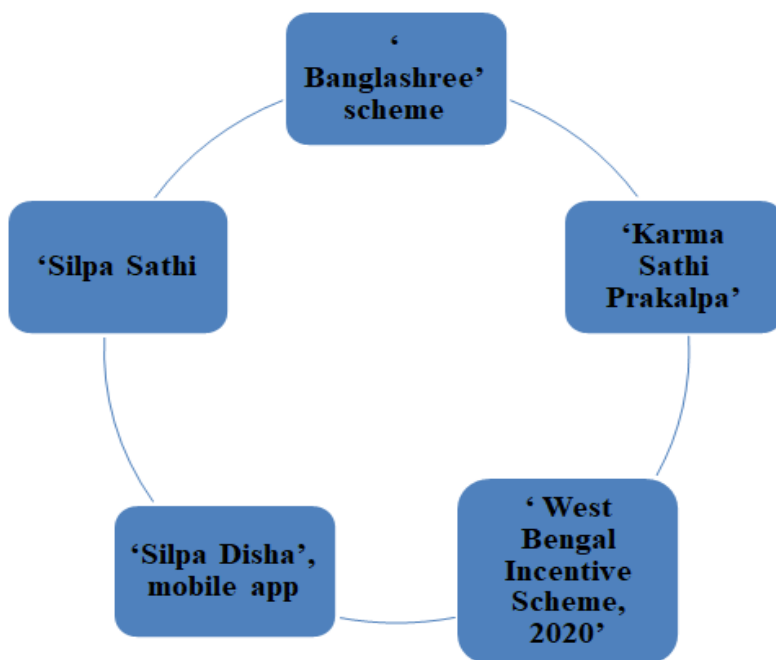
Table: 5 Major Initiatives under ‘Atmanirbhar Bharat’

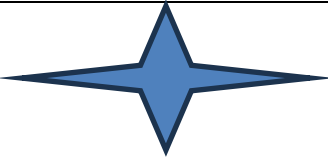
Sr. No.	Purpose
1.	To revitalize stressed MSMEs, subordinate debt of Rs.20, 000 crore were allocated.
2.	Rs.4, 000 crore was provided by the GOI to Credit Guarantee Trust for Micro & Small enterprises.
3.	A scheme of fund of fund for MSMEs (2020) will inject Rs.50, 000 crore Equity fund to enhance the chances for MSMEs to get listed in stock exchanges.
4.	The Credit Guarantee scheme (2020) for subordinate debt for MSMEs was finalized and accordingly, 12 banks had extended their guarantees of Rs.17.66 crore to 178 borrowers.
5.	The SRI (Self-reliant India) fund scheme was approved by the Ministry of MSMEs.

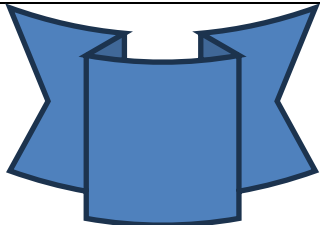
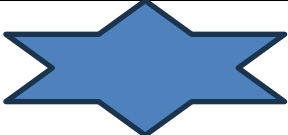


(Source: MSME Annual Report, 2020-21)

West Bengal Government has taken several measures to fight against Covi-19 lockdown impact in industry, these are as follows:

Table: 6 Major Initiatives of the West Bengal Government



Scheme	Purpose
 ‘Banglashree’ scheme	<ol style="list-style-type: none"> To encourage rural small scale women entrepreneurs; To motivate future generation entrepreneurs; This scheme is unique as compared to other states of India as the Directorate of MSME can share the required and relevant Entrepreneurship related information with the entrepreneurs especially, women entrepreneurs of rural areas in West Bengal; The subsidy can be provided for the expansion & renovation of the existing plants & machineries of the enterprises.

 <p>‘Karma Sathi Prakalpa’</p>	<ol style="list-style-type: none"> 1. To stimulate self-employment opportunity to young generation, the West Bengal Government has announced ‘ West Bengal Karma Sathi Prakalpa’scheme, 2020 to provide financial support to the potential entrepreneurs to set up their own venture; 2. State Government has decided to disburse loans to one lakh youth every year; and a 3. Maximum amount of Rs.2,00,000 can be provided to each beneficiary; 4. Subsidy facility is provided to start fresh projects.
 <p>‘West Bengal Incentive Scheme, 2020’</p>	<ol style="list-style-type: none"> 1. To approve Industrial parks for MSMEs; 2. To promote MSMEs’ growth in the state.
 <p>‘Silpa Disha’, mobile app</p>	<ol style="list-style-type: none"> 1. To ensure one touch solution of the entrepreneurs for sorting out any business related issues; 2. MSME entrepreneurs can submit its grievances through this app and can easily track the status of the issue.
 <p>‘Silpa Sathi</p>	<ol style="list-style-type: none"> 1. An online single window portal to run business in West Bengal; 2. To support investors to intend their investment plan in small scale businesses.

In case of employing female workers in MSMEs, West Bengal ranked first with 29, 01,324 female workers (Source: Dey, 2021). The numbers of women MSME entrepreneurs are 12% more than of male counterpart in West Bengal. This indicates that in new normal the women MSME entrepreneur can play a vital role to generate employment and to boost up the economy.

CONCLUSIONS

The COVID 19 pandemic has impacted negatively on all the sectors of the economy and especially the MSME sector where a number of women entrepreneurs are involved. In ‘New Normal’, women MSME entrepreneurs could play an active role to foster the growth of employment generation and to enhance per capita income of the household. Though the present scenario of India in terms participation of women MSME entrepreneurship is disappointing; in West Bengal, the position is just reverse. Govt. of India implemented Atmanirbhar Scheme to boost up the economy. Govt. of West Bengal has also implemented a number of schemes including ‘Silpa Disha’ and ‘Silpa Sathi’ to promote the women MSME entrepreneurs to combat against all adversity and to sustain in ‘New Normal’.

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