

ROLE OF MSME IN WOMEN ENTREPRENEURSHIP WITH SPECIFIC REFERENCE TO 'KUDUMBASHREE'

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ABSTRACT

MSME's have come to occupy a pivotal position in the economic dynamism. They aim at balanced regional development, equitable distribution of income and wealth and mobilizing small savings for productive channels. Government reports on MSME sector claim that this sector alone has recorded a consistent 8% growth from 2002-2012, with a workforce of more than 60 million people, making it the second largest sector after agriculture. Women-led entrepreneurship has a key role to play in this entrepreneurial wave that is engulfing our country by contributing not only to economic development, but also to the development of the family which in turn, brings forth the development of the society as well as that of the nation. In India, women enterprises constitute 13.72% of MSME's according to the Fourth All India Census of MSMEs. The Department of Local Self-Government in the state of Kerala brought out one of the largest projects for women's development in Asia, 'Kudumbashree', with a view to chart out new meaning and possibilities for their economic development and citizen centric governance. This paper looks into the role of micro enterprises in women entrepreneurship by taking the specific case of micro enterprises functioning under Kudumbashree units.

Key Words: *Women entrepreneurs, MSME, Kudumbashree, Schemes*

1. INTRODUCTION

A rewarding feature of economic development in India has been the impressive growth of Micro, Small and Medium Enterprises (MSMEs). They have made a notable contribution in realizing the principal objectives of expanded employment opportunities, adoption of modern techniques and dispersal of industries in small towns and rural areas. It has emerged as the most dynamic sector of Indian industrial economy accounting for over 55% of the total value of industrial production. Over 40% of the country's exports and more importantly providing employment opportunities to over 175 lakh people in 31.75 units. Empirically, small-scale industries have contributed over 100 lakh entrepreneurs. Thus, small business is the seed bed for entrepreneurship. MSME is the Open University for entrepreneurs especially women entrepreneurs to translate their vision, innovative ideas into a reality and stand out distinctively in society. The enterprise of a women entrepreneur is defined as "one owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women." 'Kudumbashree'-the flagship poverty alleviation project sponsored by Government of Kerala, is today one of the largest women empowering project in the country. Literal meaning of Kudumbashree is prosperity of life. The programme has 41 lakhs members and covers more than 50% of the households in Kerala. Built around three critical components, **micro credit, entrepreneurship and empowerment**, the Kudumbashree initiative has today succeeded in addressing the basic needs of the less privileged women, thus providing them a more dignified life and a better future.

2. THE ISSUE

The role of micro, small and medium enterprises (MSMEs) in the economic and social development of the country is well established. As per the Report of the Working Group on Micro, Small and Medium Enterprises (MSMEs) Growth for 12th Five Year Plan (2012-2017), the sector accounts 45% of the manufacturing output and 40% of total exports of the country. The sector provides employment to about 69 million persons through 26 million enterprises throughout the country. Over 6000 products ranging from traditional to high-tech items are being manufactured by the MSMEs in the country. The labour to capital ratio in MSMEs and the overall growth in the sector is much higher than in the large industries. Thus, MSMEs are important for the national objectives of growth with equity and inclusion.

The Government of Kerala launched Kudumbashree with the active support of Govt. of India and NABARD for wiping out absolute poverty from the state within a period of 10 years through micro finance. The Kudumbashree project, if effectively implemented has the potential to achieve women empowerment in Kerala in a big way. Hence it is necessary to assess the role of micro enterprises under Kudumbashree in bringing about empowerment of rural women entrepreneurs.

3. OBJECTIVES OF THE STUDY

- To understand the role of MSMEs in women entrepreneurship.
- To study the role of Kudumbashree in women empowerment.
- To understand various micro enterprises initiated under the programme.
- To study various schemes for promoting micro enterprises under Kudumbashree.

4. METHODOLOGY OF STUDY

Descriptive Research Design is used for the study. This study is entirely based on secondary data. The secondary data is collected from various books, journals and websites.

5. MSME

As per Micro, Small and Medium Enterprises Development Act, 2006, Micro, Small and Medium Enterprises are classified into two categories: manufacturing and services.

Manufacturing Enterprises are defined as “Enterprises engaged in the manufacturing or production of goods pertaining to any industry specified in the first schedule of the Industries Development and Regulations Act, 1951”. They are defined in terms of plant and machinery.

Service Enterprises are defined as “Enterprises engaged in providing or rendering of services”, in terms of investment in equipment.

Table 1- MSME's Investment Limits

Type of enterprises	Investment limits in for Plant & machinery MSMEs		
	Micro enterprises	Small enterprises	Medium enterprises
manufacturing	< 25 lakhs	25 lakhs – 5 crores	5 crores – 10 crores

service	< 10 lakhs	10 lakhs – 2 crores	2 crores – 5 crores
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Micro enterprises are generally artisan-based, located mostly in rural and semi-urban areas. These enterprises use local skills and resources and sell their products locally. These enterprises involve lower levels of investment in machinery and provide largely part-time employment. They are spread throughout the country and include such activities as handlooms, khadi, sericulture, coir, etc.

Small and medium enterprises use power-driven machines and possess some technological sophistication. The market for these industries is relatively wide and quite often includes export market. These industries are generally located close to or in the urban areas including large industrial centers. Their products include hosiery goods, readymade garments, motor parts, etc.

6. SOCIAL FACE OF MSME'S

The largest source of employment after agriculture, MSMEs sector in India enables lakhs of men and women living in urban slums, upcoming towns, remote villages and isolated hamlets to use indigenous knowledge, culture wisdom and entrepreneurial skills for the sustenance of their lives and livelihoods. Apart from contributing to national income, MSMEs are instruments of inclusive growth, touching the lives of the most vulnerable, the most marginalized, viz. women, SCs and STs. For many families, it is the only source of livelihood. For others, it supplements family income. Thus, instead of taking a welfare approach, this sector seeks to empower people to break the cycle of poverty and deprivation. It focuses on people's skills and agency.

7. MSME SCHEMES FOR WOMEN ENTREPRENEURSHIP

7.1 TRADE RELATED ENTREPRENEURSHIP AND ASSISTANCE DEVELOPMENT (TREAD) SCHEME

Training organizations conducting training programmes for empowerment of women beneficiaries identified under the scheme would be provided a grant up to maximum limit of Rs. 1.00 lakh per programme. The nature of assistance of this scheme mainly includes the funding support for conducting training programme for women empowerment and makes ease the availability of credit for women-led enterprises. In addition to this, skill development programmes will be provided to the applicants.

7.2 RURAL EMPLOYMENT GENERATION PROGRAMME (REGP)

REGP is a flagship scheme of Government of India for employment generation program in the unorganized sector. Though there are no specific reservations for women entrepreneurs under this scheme. There has been substantial participation (around 30 per cent) of women as a result of the promotional efforts undertaken in this regard. Under this scheme, still there has been substantial participation (around 30 per cent) of women as a result of the promotional efforts undertaken in this regard.

7.3 MAHILA COIR YOJANA

Mahila Coir Yojana is a woman-oriented self-employment scheme in the coir industry, which provides self-employment opportunities to the rural women artisans in regions producing coir fiber. The scheme envisages distribution of motorized rats for spinning coir yarn to women artisans after giving training.

8. KUDUMBASREE

Kudumbashree was conceived as a joint programme of the Government of Kerala and NABARD implemented through Community Development Societies (CDSs) of Poor Women, serving as the community wing of Local Governments.

Kudumbashree is formally registered as the "State Poverty Eradication Mission" (SPEM), a society registered under the Travancore Kochi Literary, Scientific and Charitable Societies Act 1955. It has a governing body chaired by the State Minister of LSG. There is a state mission with a field officer in each district. This official structure supports and facilitates the activities of the community network across the state.

Kudumbashree differs from conventional programmes in that it perceives poverty not just as the deprivation of money, but also as the deprivation of basic rights. The poor need to find a collective voice to help claim these rights.

The grassroots of Kudumbashree are Neighborhood Groups (NHG in short) that send representatives to the ward level Area Development Societies (ADS). The ADS send its representatives to the Community Development Society (CDS), which completes the unique three-tier structure of Kudumbashree. Today, there are 2.58 lakhs NHGs, over 19,700 ADSs and 1072 CDSs in Kudumbashree.

It is this network that brings women to the Grama Sabhas and helps them bring the needs of the poor to the attention of the local governments. The Community Development Societies are also very active in Government programmes and play significant roles in development activities ranging from socio-economic surveys and enterprise development to community management and social audit.

Though its efforts to engage women in civil society in development issues and opportunities, Kudumbashree in association with the local self-government of Kerala is charting out new meaning and possibilities for local economic development and citizen centric governance.

8.1 SPECIAL MICRO ENTERPRISES OF KUDUMBASREE

8.1.1 THELIMA- SOLID WASTE MANAGEMENT

Kudumbashree initiated an innovative enterprise namely, '**Clean Kerala Units**'. The aim of this enterprise is to outsource solid waste management to women entrepreneurs. Under this enterprise, women from the poor families who are the members of the Community Based Organisations (CBOs) of Kudumbashree are engaged in door to door household waste collection and transport to the transit points fixed by the Urban Local Bodies.

8.1.2 CAFE KUDUMBASREE

Started in 2009-10 in order to improve the conditions of canteen/ catering units, Thrissur district mission's intervention in the canteen and catering sector has been with the formation of a management and marketing group called AIFRHM (Adebha Institute for Food Research and Hospitality Management). The restaurants are branded under a common brand called 'Cafe Kudumbashree' and standardized foods and services provided. They have trained more than 400 Kudumbashree catering entrepreneurs in 27 batches.

8.1.3 IT & ITES

Much of the data entry work taken up by Government departments is being out sourced to these units which give employment to over 2500 poor women. In 2009-10, the IT units were taken up mostly with digitizing the BPL data and ration cards for the State Govt. RSBY, AABY related works. Hospital kiosks for birth registration were also taken up by various IT units.

8.1.4 SME

Sales and Marketing enterprises (SMEs) are micro enterprises that function with the specific purpose of marketing products of Kudumbashree entrepreneurs. SME's are mainly engaged in marketing channels as event management groups for monthly markets and fairs, distribution agencies for servicing retail shops, community marketing or direct marketing groups and finally as managers of retail shops. Kudumbashree provides start up and working capital support for their enterprises.

8.1.5 NATURE FRESH

Utilizing the enterprise opportunity of producing and marketing fresh milk to urban consumers, Kudumbashree implemented the pilot micro enterprise project named “Nature Fresh” at Edavetti Grama Panchayat of Idukki district. The idea of the project is to cut down the time between production of milk and consumption through a combination of hygienic management and innovative supply strategies, enabling to fix a premium on fresh quality milk.

8.1.6 SANTHWANAM

The Santhwanam enterprise is the collaborative effort of Kudumbashree, HAP (Health Action by People) and SBI (State Bank of India). This seeks to facilitate identification and monitoring of life style diseases in the community. Santhwanam entrepreneurs are educated women from the Kudumbashree families. The entrepreneurs screen individuals for the presence of dominant risk factors and diseases at their homes.

9. SCHEMES UNDER MICRO ENTERPRISES

9.1 YUVASREE

The success of the Rural Micro Enterprises (RME) programme has encouraged Kudumbashree to come up with the 50K or Yuvashree programme to provide employment to educated youth in the State through micro enterprises. The objective of the programme is listed below:

- To facilitate youth in securing sustainable employment opportunities.
- To foster economic development by creating jobs for the poor.
- To identify innovative areas to set up micro enterprises for the youths from BPL families.
- To provide hand holding and escort services to the new generation entrepreneurs.

9.2 RME SCHEME

The Rural Micro Enterprises (RME) Programme was initiated to help women to set-up Individual and Group enterprises. The minimum number of people required for a group enterprise being ten. Various activities like catering groups, traditional delicacies, paper products, super markets, direct marketing, various food products, goat rearing, dairy units, rabbit rearing, etc. have been formed under the RME programme. Even traditional activities like Goat rearing and Dairy have been set-up under RME.

9.3 CRISIS MANAGEMENT FUND

Crisis management fund is meant for responding to an unpredictable negative event to prevent it from escalating into an even bigger problem related to Micro enterprise activities of Kudumbashree. The scheme has only recently become operational. Kudumbashree adopts a four prolonged approach towards crisis management:

1. Anticipate potential crisis situations and prepare for them
2. Provide accurate information during a crisis
3. React as quickly as possible to the situation
4. Long-term solutions

9.4 INNOVATION FUND

Innovation fund was initiated for supporting innovative micro enterprise. The main objective is to cover initial risk. The maximum amount eligible should not exceed 50% of total project cost including subsidy plus innovation fund.

10. FINDINGS OF THE STUDY

1. MSME is the Open University for entrepreneurs especially women entrepreneurs that is the reason why in India women enterprises constitute 13.72% MSMEs.

2. Various schemes under MSME provide training programme and self-employment opportunities for women empowerment.
3. The Micro enterprises under Kudumbasree units provide employment to around 41 lakhs of women in different fields.
4. Various schemes for promoting micro enterprises under Kudumbasree aims to provide employment to educated youth, to help women to set up individual and group enterprises and to provide micro credit to cover initial risk in setting up enterprises.
5. The Kudumbasree project, if effectively implemented has the potential to achieve women empowerment in Kerala in a big way.

CONCLUSION

The paper looked at the role of MSME and Kudumbasree in women entrepreneurship, various schemes provided by both and the various micro enterprises working under kudumbasree.

The Micro, Small & Medium Enterprises (MSME) segment is expected to play a significant role in the emergence of the Indian economy. It can nurture and support development of new age entrepreneurs who have the potential to create globally competitive businesses from India. It can be the backbone for the existing and future high growth businesses with both domestic and foreign companies investing in the 'Make in India' initiative and make significant impact in the area of indigenization.

MSME's are committed to facilitate women in all walks of life, both in rural and urban areas, to help them stand upright in society with dignity and honour.

Kudumbasree Mission has made its mark in threading a new route to women empowerment. It has already won laurels in kindling popularity even among the international arena. The usherance of 'Kudumbasree' often marks a turning point in the quest for empowerment. The Mission can reach star heights, if it attempts to plug loopholes and ensure that it outlives the proven effects of politics, caste and creed. Of course, the momentum solicits constant nurturing to reserve the flow intact, besides permitting new entrants into the empowerment arena. Highly coordinated and flexible administrative machinery needed towards the common goal of women betterment, can of course drive the 'Kudumbasree' vehicle in the right direction. Vulnerability of women can become an unsung myth if the 'Kudumbasree' put on its mettle in the right perspective.

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