

MSME IN WOMEN ENTREPRENEURSHIP IN KERALA WITH REFERENCE TO 'KUDUMBASHREE'

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ABSTRACT

MSME's are now a vital part of the economy. They want balanced regional development, equal income and wealth distribution, and small savings put to productive use. Between 2002 and 2012, the MSME sector grew by an average of 8% per year, with over 60 million employees. Women-led businesses contribute to our country's overall growth by promoting economic, family, and community development, which benefits society and the economy. According to the Fourth All India MSME Census, women own 13.72 percent of MSME's in India. With Kumarashree, the Kerala Department of Local Self-Government seeks to redefine economic development and citizen-centric governance for women in Asia. This paper examines the role of Kudumbashree micro-enterprises in women entrepreneurship.

KEYWORDS: MSME, Women Entrepreneur, Kudumbashree, Govt. Schemes.

Introduction

India's economic growth has been bolstered by the rapid expansion of micro, small, and medium-sized enterprises (MSMEs). Expanding employment opportunities, adopting modern techniques, and dispersing industries in rural areas have all been made possible by their efforts. India's industrial economy is dominated by this sector, accounting for more than half of all industrial output. Exports account for more than 40% of the country's gross domestic product, and employment opportunities for more than 175 million people are provided by 31.75 units. Small-scale industries have contributed more than 100 million entrepreneurs, according to empirical evidence. Small businesses, on the other hand, serve as a breeding ground for entrepreneurship.

Women-owned businesses in particular benefit greatly from MSME's Open University, which helps them turn their dreams into reality. "One owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise" is what is meant by a "women-owned and controlled enterprise." As a flagship poverty alleviation project of Kerala's Government, 'Kudumbashree' has become one of the country's largest women empowerment projects. "Prosperity of life" is the literal translation of Kudumbashree. More than half of all households in Kerala are covered by the programme, which has 41 million members. Microcredit, entrepreneurship, and women's empowerment comprise the foundation of the Kudumbashree initiative, which has thus far been successful in meeting the basic needs of underprivileged women and ensuring a brighter future for them.

Micro, small, and medium enterprises (MSMEs) play an important role in the country's economic and social development. Micro, Small and Medium Enterprises (MSMEs) make up 45 percent of manufacturing output and 40 percent of total exports, according to the 12th Five Year Plan Working Group on MSMEs Growth (2012-2017). Through 26 million businesses, the sector employs approximately 69 million people across the country. Many small and medium-sized enterprises (SMEs) in the country are producing more than 6,000 products, from traditional to high-tech items. MSMEs have a

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higher labour-to-capital ratio and a higher overall growth rate than large corporations. There are many reasons why small and medium-sized enterprises (SMEs) are critical to achieving the national goals of economic growth and social inclusion. Kudumbashree was launched by the Government of Kerala with the help of the Indian government and NABARD in order to eliminate absolute poverty in the state within a period of ten years. Kudumbashree, if implemented correctly, has the potential to significantly improve women's empowerment in Kerala. Thus, it is imperative to examine the role of Kudumbashree's micro enterprises in empowering rural women entrepreneurs.

Objectives of the Study

- To better understand the role of MSMEs in the entrepreneurship of women.
- To analyze the role of Kudumbashree towards empowering women.
- To study various schemes for promoting micro enterprises under Kudumbashree.

Methodology

The study employs a descriptive research design. This research relies solely on secondary data. Secondary data is gathered from a variety of sources, including books, journals, and websites.

MSMEs

Micro, Small and Medium Enterprises are divided into two categories under the Micro, Small and Medium Enterprises Development Act of 2006: manufacturing and services. "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" are defined as manufacturing enterprises. Plant and machinery are used to define them. In terms of equipment investment, service enterprises are defined as "enterprises engaged in providing or rendering of services."

The majority of micro enterprises are located in rural and semi-urban areas, and are typically artisan-based. These businesses rely on local talent and resources, and they sell their products right here in the community. These businesses require a smaller investment in machinery and employ a smaller number of people on a part-time basis. They can be found all over the country and include activities such as handlooms, khadi, sericulture, coir, and more. Businesses in the SMB range rely on power-driven equipment and have some degree of technological sophistication. These industries have a wide range of potential customers, and many of them have an export market as well. Nearby cities and major industrial centres are common locations for these businesses. They make hosiery, ready-to-wear clothing, and automobile parts, among other things.

MSME's Social Identity

There are more than a million men and women employed by India's MSMEs sector; this is the second-largest source of employment after agriculture. They use their indigenous knowledge and culture wisdom to sustain their lives as well as their businesses. Additionally, MSMEs are instruments of inclusive growth, affecting the lives of the most vulnerable and marginalised, such as women and people from the SC and ST communities. Many families rely on it as their sole source of income. Some families rely on it to supplement their income. Thus, this sector aims to empower people to break the cycle of poverty and deprivation rather than taking a welfare approach. It focuses on people's abilities and freedoms.

MSME Schemes for Women Entrepreneurship

The women have achieved immense success over the years in changing the perception of a male-dominated society. In present times women have the skill, talent, and moreover a zeal to create something new. Women are in no way behind the man and are excelling in every sphere of their life. In the past few decades, women are entering the field of entrepreneurship and excelling in it. The government is offering various schemes to help out women entrepreneurs in achieving their goals. MSME sector has also been offering new opportunities to women at the grass-root level.

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.

Rural Employment Generation Programme (REGP)

It 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.

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.

MSME Schemes for Women Entrepreneurs – Offered by Banks

Schemes offered by the State Bank of Mysore

The Annapurna Scheme and the Stree Shakti Scheme are two programmes offered by this bank to female entrepreneurs.

- **Annapurna Scheme** - The bank has started a programme to assist women who want to open food service businesses. Those who are interested in starting a food catering business can apply for a bank loan of up to Rs 50,000. Kitchen utensils, gas connections, and other business-related expenses can be purchased with the bank loan. This loan from SBM has a repayment term of three years.
- **Stree Shakti**- Women who have completed an Entrepreneurship Development Program (EDP) training are eligible for this loan from the State Bank of Mysore. In order to successfully launch a business, EDP training can last up to six to eight weeks. The bank is offering a loan of up to Rs. 50 lakhs under this programme.
- **Punjab National Bank**-For female entrepreneurs, PNB has a variety of options. PNB offers a variety of options, including the following:
- **Mahila Samridhi Yojna**- In order to help women, start businesses such as boutiques, beauty salons, cyber cafes, and phone booths, PNB has launched a new programme.
- **Mahila Udyam Nidhi Scheme**- Women who want to start a small business can take advantage of a programme offered by Punjab National Bank. As part of this programme, women entrepreneurs in the small-scale sector are assisted in launching new businesses. Small-scale industrial units that are currently upgrading their technology can also benefit from the programme.
- **Mahila Saashaktikaran Abhiyan**- Women who want to start a small or micro-enterprise in the non-farm sector are eligible for financial assistance from Punjab National Bank under this programme.

Syndicate Bank

SyndMahila Shakti was launched by Syndicate bank to cater to female entrepreneurs. The Syndicate bank has launched a programme aimed at both new and established female entrepreneurs. This plan provides working capital in the form of cash credit or a loan with a term of up to ten years. To qualify for this loan, a company must have at least 50% of its financial holdings held by women.

Kudumbasree

Kudumbashree began as a joint initiative of the Kerala government and NABARD, which was carried out through Community Development Societies (CDSs) of Poor Women, which served as the community wing of local governments. Kudumbashree is formally known as the "State Poverty Eradication Mission" (SPEM), a Travancore Kochi Literary, Scientific, and Charitable Societies Act 1955-registered organisation. It is governed by a board of directors, which is chaired by the LSG State Minister. Each district has a state mission with a field officer. The activities of the community network across the state are supported and facilitated by this official structure. Kudumbashree is different from other programmes in that it sees poverty as a deprivation of basic rights as well as a deprivation of money. To help claim these rights, the poor need to find a collective voice.

Neighborhood Groups (or NHGs for short) are Kudumbashree's grassroots, sending representatives to ward-level Area Development Societies (ADS). The ADS sends representatives to the Kudumbashree Community Development Society (CDS), which completes Kudumbashree's unique three-tier structure. Kudumbashree now has 2.58 lakh NHGs, over 19,700 ADSs, and 1072 CDSs.

This network connects women to GramaSabhas and assists them in bringing the poor's needs to the attention of local governments. Community Development Societies are also very active in government programmes and play important roles in development activities such as socioeconomic surveys, enterprise development, community management, and social audit.

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

Kudumbashree and Covid 19

More than 71.5 million cotton masks, 9,322.65 litres of sanitizer, and face shields have been produced by the Kudumbashree since the outbreak. Due to a high demand in the market, these items had to be produced in smaller batches.

In states like Uttar Pradesh and Bihar, strict curfews and inefficient healthcare and food systems drove a number of poor families to starvation and death. During the pandemic, many women-run businesses, such as rest stops at railway stations and canteens run by Kudumbashree members, were forced to close. Despite this, Kerala's SHGs have discovered new opportunities, such as managing Janakeeya hotels and providing scientific disinfection services.

Special Micro Enterprises of Kudumbashree

- **Thelima- Solid Waste Management:** 'Clean Kerala Units' was the brainchild of Kudumbashree. The goal of this business is to outsource waste management to female entrepreneurs. Members of Kudumbashree's Community Based Organizations (CBO) engage in door-to-door household waste collection and transportation to the Urban Local Bodies' designated transit points.
- **Cafe Kudumbashree:** The Thrissur District Mission's intervention in the canteen and catering sector began in 2009-10 with the formation of an AIFRHM management and marketing group in order to improve the conditions of these units (Adebha Institute for Food Research and Hospitality Management). The restaurants are all branded with the same name, 'Cafe Kudumbashree,' and offer the same foods and services. In 27 batches, they have trained over 400 Kudumbashree catering entrepreneurs.
- **IT & ITESA:** large portion of the data entry work performed by government departments is outsourced to these units, which employ over 2500 poor women. In 2009-10, the IT units were primarily responsible for digitising BPL data and ration cards for the State Government's RSBY and AABY projects. Various IT units have also taken up hospital kiosks for birth registration.
- **SME Sales and Marketing Enterprises (SMEs):** are microbusinesses that exist solely for the purpose of marketing Kudumbashree entrepreneurs' products. SME's work in marketing channels primarily as event management groups for monthly markets and fairs, distribution agencies for servicing retail shops, community marketing or direct marketing groups, and finally as retail store managers. Kudumbashree assists their businesses with startup and working capital.
- **Nature Fresh:** Kudumbashree implemented the pilot micro enterprise project "Nature Fresh" in EdavettiGramma Panchayat of Idukki district, utilising the business opportunity of producing and marketing fresh milk to urban consumers. The goal of the project is to reduce the time between milk production and consumption by combining hygienic management and innovative supply strategies, allowing a premium to be placed on fresh, high-quality milk.
- **Santhwanam:** Kudumbashree, HAP (Health Action by People), and SBI collaborated on the Santhwanam enterprise (State Bank of India). This aims to make detecting and monitoring lifestyle diseases in the community easier. Santhwanam entrepreneurs are Kudumbashree family educated women. Individuals' homes are screened for the presence of dominant risk factors and diseases by the entrepreneurs.

Schemes under Micro Enterprises

- **Yuvasree:** Kudumbashree was inspired by the success of the Rural Micro Enterprises (RME) programme to create the 50K or Yuvashree programme, which will provide employment to educated youth in the state through micro enterprises. The following is a list of the program's goals: To assist youth in obtaining long-term employment opportunities. To promote economic development by providing poor people with jobs. Identifying innovative areas in which to start microbusinesses for youth from low-income families. To provide new generation entrepreneurs with mentoring and escorting services.
- **Rme Scheme:** The Rural Micro Enterprises (RME) Program was established to assist women in establishing individual and group businesses. A group enterprise requires a minimum of ten people to operate. The RME programme has created various activities such as catering groups, traditional delicacies, paper products, super markets, direct marketing, various food products, goat rearing, dairy units, rabbit rearing, and so on. Traditional activities such as goat farming and dairying have been established under RME.
- **Crisis Management Fund:** The crisis management fund is intended to respond to an unforeseeable negative event in order to prevent it from escalating into a larger problem related to Kudumbashree's micro enterprise activities. The programme is still in its early stages of implementation. When it comes to crisis management, Kudumbashree takes a four-pronged approach: 1. Anticipate and prepare for potential crisis situations. 2. During a crisis, provide accurate information. 3. React to the situation as quickly as possible. 4. Long-term strategies
- **Innovation Fund:** The Innovation Fund was established to assist innovative microbusinesses. The primary goal is to mitigate the initial risk. The total project cost, including the subsidy and the innovation fund, should not exceed 50% of the total project cost.

Results of the Study

- In India, women-owned MSMEs account for 13.72 percent of all MSMEs. MSME is the Open University for entrepreneurs, especially women-owned ones.
- Training programmes and self-employment opportunities for women's empowerment are provided by various MSME schemes.
- Around 41 lakhs of women are employed in various fields by Kudumbasree units' micro enterprises.
- Schemes to promote micro enterprises under Kudumbasree are designed to help educated youth find work, support female entrepreneurs and provide micro credit to cover the initial risk of setting up a business.
- A successful implementation of Kudumbasree could have a significant impact on women's empowerment in Kerala.

Conclusion

MSME and Kudumbasree were examined in the paper, as well as the various micro-enterprises operating under the kudumbasree umbrella. The MSME sector is expected to have a significant impact on the Indian economy's development. New-age entrepreneurs with the ability to create globally competitive businesses from India can be nurtured and supported by this programme. It can serve as a foundation for high-growth businesses, both domestic and foreign, with both domestic and foreign companies investing in the 'Make in India' initiative. To help women in all walks of life, both rural and urban, rise to the top of society with dignity and honour, MSME's are committed. Women's empowerment has taken a new path thanks to Kudumbasree Mission. Even in the international arena, it has already won accolades for igniting interest and gaining traction. 'Kudumbasree' often marks a turning point in a person's journey to self-emancipation. If the Mission tries to close loopholes and ensure that it outlives the proven effects of politics, caste, and creed, it has the potential to soar to new heights. That being said, it is important to keep the momentum going, as well as allow for new entrants to enter the arena of empowerment. Of course, the 'Kudumbasree' vehicle can be steered in the right direction by a well-coordinated and flexible administrative machinery. If the 'Kudumbasree' puts on its mettle, women's vulnerability can become a myth.

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