

## **From Domestic Skills to Business Success: Women in MSME Sector**

**Mrs. Hemlata Amol Minchekar**, Assistant Professor, Department of Economics, Kamala College, Kolhapur.

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### **Abstract**

The rise of women-led micro, small, and medium enterprises (MSMEs) represents a compelling and transformative force in the global economy. Women, who have traditionally been associated with domestic work, are now confidently harnessing their diverse skill sets—spanning culinary arts, tailoring, intricate handicrafts, and various services—to establish and successfully manage their own businesses. This study emphasizes the significant contributions these women entrepreneurs make to both economic growth and social development, showcasing their role as vital catalysts for change within their communities. Additionally, it outlines essential policy measures that can provide strong support and cultivate an environment in which women-led enterprises can continue to thrive and expand.

**Keywords:** Women Entrepreneurship, MSME, Domestic Skills, Economic Contribution, Policy

### **Introduction**

The rise of women-led micro, small, and medium enterprises (MSMEs) represents a significant and transformative force in the global economy. Historically relegated to domestic roles, women are now assertively utilizing their diverse and rich skill sets—encompassing culinary arts, fashion design, intricate handicrafts, and a multitude of professional services—to successfully launch and operate their own businesses. This study meticulously examines these women entrepreneurs' substantial contributions to economic growth and social development, emphasizing their pivotal role as dynamic catalysts for change in their communities.

Through innovation and entrepreneurship, they are not merely participating in the economy; they are reshaping it by introducing new products, creating jobs, and fostering local and sustainable economic practices. Furthermore, this research calls for the implementation of comprehensive policy measures that ensure robust institutional support, access to financing, and educational resources designed to empower women. By fostering an environment that encourages the growth and sustainability of women-led enterprises, we can unlock their full potential and drive meaningful progress in our societies. Ducts, creating jobs, and fostering local and sustainable economic practices. Furthermore, this research calls for the implementation of comprehensive policy measures that ensure robust institutional support, access to financing, and educational resources designed to empower women. By fostering an environment that encourages the growth and sustainability of women-led enterprises, we can unlock their full potential and drive meaningful progress in our societies. ducts, creating jobs, and fostering local and sustainable economic practices. Furthermore, this research calls for the implementation of comprehensive policy measures that ensure robust institutional support, access to financing, and educational resources designed to empower women. By fostering an environment that encourages the growth and sustainability of women-led enterprises, we can unlock their full potential and drive meaningful progress in our societies.

### **Review of Literature**

Patel, A. & Rewadikar, B. (2024), in their research study has attempted to study the, “An Analysis of Role of Women Entrepreneurs in MSME Sector in India. the study concluded that

Micro, small and medium enterprises (MSMEs) are playing front role in developing the Indian economy. With its growth it has led to involvement of women entrepreneurs in this sector. Out of all as a whole 79.63% enterprises are owned by males and the rest 20.37% are owned by females. Tiwari, (2023) studied the current scenario of women empowerment in India along with the role of micro, small and medium enterprises (MSMEs) in empowering women. MSMEs provide opportunities to women for self-employment and job creation because these enterprises perform in local areas which makes it easier for women to balance their personal and professional life. Further the author talked about the various obstacles like gender prejudices, lack of infrastructure, financial constraints and social norms which hinder the growth of women empowerment in India. Although the MSME sector is playing a major role in empowering women by providing entrepreneurial opportunities and employment to women. However, there is still need for some policies and framework to support women.

Vejju, (2018) has analysed the role of Self-Help Group (SHG) in promoting women entrepreneurship in Andhra Pradesh during the period 1981 to October 2016. The results of the study showed Nellore district has received the maximum benefit from SHG in promoting micro enterprises. The share of female entrepreneurs in SHG promoted micro enterprises was around 60% whereas the share of male entrepreneurs was approximately 40% which showed a positive growth in women entrepreneurs. Chavan & Murkute, (2016) discussed about the role of women entrepreneurship in the Indian economy. They stated that female entrepreneurs face a lot of challenges into any entrepreneurial activity. But the government of India is providing support through various incentives and policies for the development of women entrepreneurship. The study reveals that women entrepreneurs can significantly contribute in the development of economy through capital formation, increasing per capita income, generating employment and innovations.

#### **Objective of Study:**

- To examine the economic and social contributions of women-led MSMEs in local and national economies.
- To suggest policy recommendations and strategic measures for strengthening women's participation in MSME entrepreneurship.

#### **Research Methodology**

This research paper employs qualitative research methodologies. Various sources have been utilized to gather relevant information. This study primarily relies on secondary data, collected from the following sources, Newspapers and Magazines, Diaries and Field Notes, Government Reports, Non-Governmental Organization (NGO) Reports, Census and Statistical Data, Theses and Research Papers etc. A comparative and descriptive analysis approach was used to evaluate the collected information. This research methodology integrates various sources to study the concept, challenges, opportunities, and impact of women's economic independence. The findings provide valuable insights into the policies and measures necessary for achieving women's economic empowerment.

Women-Led MSMEs and Their Economic & Social Contributions Economic Contributions

Job Creation:

Women-led Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in generating employment, particularly for women. By prioritizing the hiring of female employees, these

businesses contribute to reducing gender disparities in the labour market and foster inclusive economic growth that benefits entire communities.

**Contribution to GDP:**

Many MSMEs significantly contribute to the national economy, accounting for a substantial portion of Gross Domestic Product (GDP). Their presence enhances economic resilience, diversifies markets, and creates a more robust economic landscape through their varied offerings.

**Financial Independence:**

The entrepreneurial journey enables women to attain financial independence. By running their own businesses, women not only achieve self-sufficiency but also gain increased access to financial resources, ultimately promoting their long-term economic stability and security.

**Innovation and Product Diversity:**

Women entrepreneurs often introduce ground-breaking ideas and innovative products, particularly in sectors such as food, textiles, and services. Their unique perspectives drive creativity and product diversity, leading to the development of new markets and enhancing consumer choice.

**Social Contributions**

**Empowerment and Confidence Building:**

Ownership of a business significantly boosts women's self-confidence and enhances their decision-making abilities. As they navigate the challenges of entrepreneurship, women develop essential leadership skills that empower them in both their professional and personal lives.

**Community Development:**

Women-led businesses frequently reinvest their profits back into their local communities. This reinvestment supports critical initiatives such as educational programs, healthcare access, and social welfare services, thereby fostering sustainable community development.

**Work-Life Balance:**

Entrepreneurship offers the flexibility of adjustable work schedules, enabling women to effectively balance their professional commitments with family responsibilities. This adaptability supports a healthier work-life integration, allowing women to prioritize both their careers and personal lives.

**Inspiration for Future Generations:**

Women entrepreneurs serve as powerful role models, inspiring the next generation of female leaders to pursue their own business ventures. By showcasing their successes and overcoming challenges, they instil confidence and ambition in younger women, encouraging them to explore opportunities in entrepreneurship.

**Challenges Faced by Women Entrepreneurs in MSME Sector.**

**Financial Constraints:**

Women entrepreneurs frequently encounter significant barriers when trying to access credit and investment opportunities. Many financial institutions may hold biases that result in women being viewed as higher-risk borrowers, leading to stricter lending conditions or outright rejections. Furthermore, the lack of collateral, often a prerequisite for securing loans, amplifies these financial challenges.

**Lack of Business Education:**

A considerable number of women in the MSME sector have not had the opportunity to receive formal training in business management. This gap in education can result in limited knowledge of

essential skills such as financial planning, marketing strategies, and operational management. Consequently, these women may feel less confident in making informed business decisions.

**Societal and Cultural Barriers:**

In many communities, entrenched traditional gender roles often dictate that women prioritize family responsibilities over professional ambitions. This societal conditioning can discourage women from pursuing entrepreneurial paths, leading to fewer role models and support systems for aspiring female business owners. The stigma associated with women stepping outside these roles can also pose a significant obstacle.

**Legal and Regulatory Hurdles:**

The process of starting a business is often complicated by intricate licensing and regulatory requirements. Women may find these processes particularly daunting without a clear understanding of the legal landscape. Navigating permits, taxes, and compliance regulations can be overwhelming, which may deter them from venturing into entrepreneurship entirely.

**Market Access and Networking Issues:**

Women entrepreneurs often struggle to establish connections within broader market networks. A lack of access to networking opportunities can limit their exposure to potential customers, investors, and mentors. Additionally, insufficient knowledge about market trends and consumer preferences can hinder their ability to successfully position their businesses within the competitive landscape.

Addressing these challenges is critical for empowering women in the MSME sector and fostering an environment where they can thrive as entrepreneurs

**Policy Recommendations for Strengthening Women's Participation in MSME Entrepreneurship**

**Improving Access to Finance**

**Specialized Loan Schemes for Women:**

Governments and financial institutions should create tailored low-interest loan programs specifically for women entrepreneurs, ensuring that the application process is user-friendly and accessible. These loans could be accompanied by favourable repayment terms to alleviate financial pressure.

**Microfinance and Self-Help Groups:**

It is crucial to encourage local microfinance institutions to offer small-scale funding options, which can empower women in underserved communities. Additionally, support for the formation of self-help groups can foster collective savings and lending practices, enhancing women's financial independence.

**Financial Literacy Programs:**

Implement comprehensive training modules that focus on key areas of financial management, such as budgeting, investment strategies, and business forecasting. These programs should aim to improve women's confidence and competence in managing their finances, ultimately leading to improved sustainability of their businesses.

**Enhancing Skill Development and Training**

**Business and Technical Training:**

Establish state-of-the-art training centres dedicated to skill enhancement in areas like entrepreneurship, manufacturing, and service delivery. These centres should incorporate practical experiences and mentorship opportunities to prepare women for real-world challenges.

#### Digital Literacy Programs:

Develop training initiatives focused on essential digital skills, including digital marketing, website management, e-commerce platforms, and social media engagement. By equipping women with these vital competencies, we can help them effectively reach broader markets and improve their business visibility.

#### Simplifying Regulatory Processes

**Single-Window Clearance System:** Implement a streamlined single-window system that simplifies the business registration and licensing processes for women entrepreneurs. This system should reduce bureaucratic hurdles, enabling aspiring businesswomen to start and operate their enterprises with greater ease.

**Women-Friendly Business Policies:** Formulate and enforce policies that reduce taxes and provide subsidies or grants for women-led MSMEs. Such incentives could encourage more women to enter the entrepreneurial space and create businesses that contribute to local economies.

#### Expanding Market Access and Networking

**Trade Exhibitions and Business Fairs:** Organize regular trade exhibitions and business fairs, supported by government initiatives, to showcase the diverse products created by women entrepreneurs. These events should also include workshops and networking opportunities to foster connections among attendees.

**Online Marketplaces:** Actively promote the development and utilization of digital platforms specifically tailored to women entrepreneurs. This would enable them to reach wider audiences, enhance sales opportunities, and leverage online marketing strategies to grow their businesses effectively.

#### Creating a Supportive Ecosystem

**Women Entrepreneurship Cells:** Establish dedicated business support centres known as Women Entrepreneurship Cells, which can offer resources, mentorship, and counselling tailored to the unique challenges faced by women in entrepreneurship.

**Mentorship Programs:** Develop robust mentorship programs that connect successful women entrepreneurs with emerging business owners. These programs should facilitate knowledge sharing, providing insights into navigating the entrepreneurial landscape and fostering a community of support and encouragement.

#### **Conclusion**

Women entrepreneurs in the MSME sector significantly contribute to economic and social development. However, they face multiple challenges, which can be addressed through targeted financial support, skill development, and policy reforms. Encouraging women's participation in business is not just a social cause but a key driver of economic growth. This research paper provides an in-depth analysis of how domestic skills transition into successful business ventures and suggests practical solutions to enhance women's participation in MSME entrepreneurship

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