

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 440
TO BE ANSWERED ON 24.07.2023

ROLE OF WOMEN ENTREPRENEURS IN MSMEs

440. SHRI S. SELVAGANABATHY:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether women entrepreneurs in the country play a significant role in advancing the economic growth of the country;
- (b) if so, details of per centage of collective contribution of industrial output and employment of total workers;
- (c) whether country still ranks third-highest in the entrepreneurship gender gap across the world;
- (d) if so, details thereof, and reasons therefor;
- (e) whether women owning small and medium enterprises in the country widely point to lack of access to capital as the biggest constraint in running their businesses; and
- (f) if so, response of Government thereon and success achieved in this regard?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) & (b): As per the National Sample Survey (NSS) 73rd Round report (July 2015 to June 2016), 19.5 per cent of the total unincorporated non-agricultural proprietary enterprises were owned by women, employing 22 to 27 million people. As per the report “Decoding Government Support to Women Entrepreneurs in India’ on NITI Aayog website, published in October 2022, women’s economic contribution in India accounts for 17% of the GDP.

(c) & (d): There are no official reports on global ranking of Women entrepreneurship. However, a private study “Mastercard Index of Women Entrepreneurs 2021” ranks India at 57th position out of a total of 65 countries. The Index uses 12 indicators to create three components: women’s advancement outcomes; knowledge assets and financial access and entrepreneurial supporting conditions for constructing the Index.

(e) & (f): The Report of the Expert Committee on Micro, Small and Medium Enterprises, published by the Reserve Bank of India in June 2019 has identified access to credit as one of the major challenges faced by MSMEs, including women owned MSMEs.

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To encourage entrepreneurship among women, the Ministry of Micro, Small and Medium Enterprises (MSME) implements various schemes. The Ministry implements Prime Minister's Employment Generation Programme (PMEGP), which is a major credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and rural/urban unemployed youth. For beneficiaries belonging to special categories such as Scheduled Caste/Scheduled Tribe/OBC /minorities/women, ex-serviceman, physically handicapped, NER, Hill and Border areas, etc., higher subsidy is given.

The Credit Guarantee Fund Trust for Micro, and Small Enterprises (CGTMSE), which was jointly set up by the Ministry of MSME, Government of India and Small Industries Development Bank of India to strengthen credit delivery system and to facilitate flow of credit to the MSE sector, create access to finance for unserved, under-served and underprivileged, making availability of finance from conventional lenders to new generation entrepreneurs, provides guarantee cover to collateral and/or third party guarantee free credit facilities extended by eligible Member Lending Institution [MLIs] to Micro and Small Enterprises. CGTMSE has increased the extent of guarantee coverage of credit to 85% for women entrepreneurs. As an additional concession to Women Entrepreneurs, CGTMSE has reduced the Annual Guarantee Fee by 10%.

The Ministry also implements several other schemes for promotion and development of MSMEs, including women owned MSMEs, namely, Micro and Small Enterprises Cluster Development Programme (MSE-CDP), Tool Rooms & Technology Centres, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Procurement and marketing Support Scheme, Entrepreneurship and Skill Development Programme (ESDP) etc.
