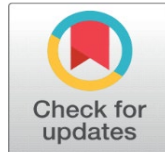
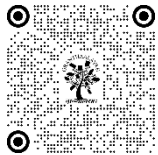


EMPOWERING WOMEN ENTREPRENEURSHIP THROUGH MSMES: NAGALAND'S PERSPECTIVE

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DOI

[10.29121/shodhkosh.v4.iMIHCSET.2023.6453](https://doi.org/10.29121/shodhkosh.v4.iMIHCSET.2023.6453)

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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ABSTRACT

In India, the Micro, Small, and Medium Enterprises play a crucial role in the country's industrial development. According to reports from the Ministry of Statistics & Programme Implementation, the MSME sector contributed 29.6% to the country's Gross Domestic Product (GDP) in 2021-22. In an emerging economy like India, the MSME sector has provided entrepreneurial opportunities. Women-led MSMEs contribute significantly to job creation, drive innovation, generate income, and promote entrepreneurship. In recent years, Nagaland has experienced a transformation with an increase in women entrepreneurs within the MSME sector. The paradigm shift in women entrepreneurs influences the economic expansion, gender parity, and social progress. This study examines the growth of women-led MSMEs in India, specifically in the northeastern state of Nagaland, and identifies the motivating factors contributing to the success of women-led enterprises. The data for the study was collected from both primary and secondary sources. Primary data was collected from 150 women-led MSMEs in Nagaland using a structured questionnaire. The findings of the study indicate that women-led MSMEs have grown over the years. Several motivating factors influencing this phenomenal growth were age, educational qualifications, types of enterprise, nature of the enterprise, government incentives and encouragement, etc. Although the MSME sector has experienced rapid growth, strengthening the contribution of women entrepreneurs holds transformative potential for the economically underdeveloped societies of the Northeast.

Keywords: MSMEs, Women Entrepreneurship, Northeast India, Transformative Potential

1. INTRODUCTION

In recent years, the MSME sector in India has paved the way for economic development and employment generation for the country. With the increase in population and educated unemployed youths, the MSME sector plays an important role in generating employment and industrialization in urban and rural areas. The MSME sector contributes to the country's economy through local production, low capital investments, operational flexibility, and regional development. For an emerging economy like India, the MSME sector contributes significantly to the country's GDP through the manufacturing sector. The industry has created and produced a broad range of products for domestic and foreign export markets, providing a platform for entrepreneurs with innovative ideas to survive in the competitive market.

Though India is a male-dominated society, the women of the country are no less. Women-led enterprises are those businesses owned, operated, and controlled by women. Women entrepreneurship enables women to be independent,

utilise their skills, earn their livelihood, and gain financial independence. Women-led enterprises improve the conditions of women in society and broaden the scope to all kinds of activities, not limited to traditional household activities. According to the Ministry of MSMEs, PIB Report, Government of India (2022), Women-owned MSMEs in India registered a total of 7,08,656, comprising 6,92,034 micro enterprises, 15,989 small enterprises, and 633 medium enterprises under Udyam Registration from April 1, 2021, to February 2, 2022 (Table 1). The number of registered MSMEs has increased since the revised definition of Micro, Small, and Medium Enterprises. There is a rise in women-led enterprises in the country. The MSME sector is empowering women by generating employment and providing entrepreneurial opportunities.

North-East India has many opportunities for women entrepreneurs. Though the dominance of male-run enterprises is higher, the involvement of women entrepreneurs in income-generating activities in the north-east is more than the rest of India (Sharma & Parida, 2021). Abundant natural resources in the region pave the way for women entrepreneurship in the NER. Nagaland, being a state in North East India, has seen considerable development of women entrepreneurs in recent years. The growth of women entrepreneurs plays a significant role in the economic growth and development, as well as the social upliftment of the state. The women entrepreneurs face many barriers, such as financial, socio-personal issues, infrastructure, and societal pressure, but the MSME sector has the potential to help women enhance their sense of achievement, financial security, and balance their domestic and professional responsibilities.

2. REVIEW OF LITERATURE

Danabakym & Kurian (2012) identified the factors that motivate and contribute to women's entrepreneurship. The study was conducted by selecting 100 women entrepreneurs from Chennai city through a convenience sampling method using questionnaires. The study found that 77% of the entrepreneurs owned manufacturing units, while 23% owned retail businesses. The educational qualification or previous experience were ranked the highest in motivating factor, while Government policies/assistance incentives/ subsidies, authoritative/

independent, and social/economic independence follow respectively. The majority of the respondents agree that achievement motivation and human relations contribute to the success factor of the enterprise. The study suggested that training in skill development and knowledge of information technology for women entrepreneurs can lead to the success and growth of the economy.

Dangi & Ritika (2014) assessed the growth and performance of MSMEs, the status of women entrepreneurs, and the challenges faced by them in India. The study utilized a descriptive and analytical approach based on secondary data. The findings highlight that women entrepreneurs play an active role in contributing significantly to the industrial output, employment generation, and exports of India. Despite the growth, women entrepreneurs face challenges such as a lack of access to finance, societal bias, low risk-taking capacity, and lack of technical skills. The study also outlines several government schemes that aim to uplift women entrepreneurs, such as PMEGP (Prime Minister's Employment Generation Programme), TREAD (Trade Related Entrepreneurship Assistance and Development), Mahila Coir Yojana, and several training programs. The study concluded that empowering women through MSMEs contributes significantly to the growth and performance of the country's economy, and also creates awareness for achieving gender equality through government support and skill development initiatives.

Roomi, Harrison, & Kerridge (2016) studied the growth and identified the factors affecting the growth of women-owned enterprises. The study was conducted using a mixed method approach, utilizing both primary and secondary data. The primary data were collected from 108 online filled questionnaires, 15 telephone interviews, and face-to-face in-depth interviews with 12 respondents. Findings of the study state that 56.48 % of the entrepreneurs are sole proprietors. Some of the factors that influence entrepreneurs to start their own enterprises are to generate income, provide valuable services, and achieve a balance between work, family responsibilities, and other interests. Those entrepreneurs who are growth-oriented face challenges due to a lack of access to capital, infrastructure, education qualification, information & technology, training facilities, childcare, and an appropriate market. Family emerged as both a constraint to the enterprise and also a contributor to the success of the business. The study concluded that women entrepreneurs can grow through policy interventions, provided they have proper access to financial resources, training, and support from family and society.

Shaikh (2020) aimed to analyse the status of women entrepreneurs, identify the challenges, and propose potential solutions. The study used a descriptive and exploratory approach with both primary and secondary data. The primary

data was collected from 164 women entrepreneurs in Karachi, Pakistan. The study found several challenges faced by women entrepreneurs, including limited access to finance, lack of marketing skills, gender based discrimination, access to market and technology, and inadequate government support. Although women-owned MSMEs play a crucial role in economic development and gender parity, they face systemic challenges and social and cultural norms. The study suggested the need for government policies and interventions, financial assistance schemes, skill development programs, and training and technological support for women entrepreneurs.

Yadunandan (2018) aimed to study women entrepreneurs' profiles and explore government initiatives. The study consists of both primary and secondary data. A sample of 70 women entrepreneurs was selected for the study. The findings of the study show that 79.63% of the enterprises are owned by male entrepreneurs, while women-owned enterprises are 20.37% in India. 20.44% of women-owned enterprises are micro enterprises, 5.26% are small, and 2.67% are medium enterprises. The state of West Bengal has the highest percentage of women entrepreneurs in India, with 23.42%. The majority of the women entrepreneurs are first-generation entrepreneurs, sole entrepreneurs, and deal in the service sector more than the manufacturing sector. Women entrepreneurs preferred a partnership business over a sole proprietorship. The study concluded that through government support and cooperation, the growth of women entrepreneurs can be enhanced and overcome the challenges faced by them.

3. OBJECTIVE OF THE STUDY

To analyse the growth of women-owned MSMEs in Nagaland.

4. RESEARCH METHODOLOGY

The present study is both descriptive and analytical, comprising primary and secondary data. The primary data was collected from 150 women-led MSMEs from Nagaland through a structured questionnaire using convenience sampling methods. The secondary data were sourced from annual reports of MSMEs, the Government of India, Government websites, and reports.

5. RESULTS AND DISCUSSION

5.1. GROWTH OF WOMEN-OWNED MSMEs

Over the last few decades, the rise of women entrepreneurs in India has made a significant contribution to the country's economy. Women's empowerment enables women to participate in social, cultural, and economic dimensions, overcoming challenges, and expanding their choices and opportunities.

Table 1 Women-owned MSMEs in India

| Year | Micro | Small | Medium | Total |
|--|--------|-------|--------|--------|
| Registered under UAM from 01-04-2019 to 31-03-2020 | 498635 | 50738 | 1366 | 550739 |
| Registered under UAM from 01-04-2020 to 30-06-2020 | 152512 | 28237 | 1073 | 181822 |
| Udyam Registration from 01-07-2020 to 31-03-2021 | 473333 | 16663 | 1073 | 491069 |
| Udyam registration from 01-04-2021 to 02-02-2022 | 692034 | 15989 | 633 | 708656 |

Source PIB, Government of India, Ministry of MSME (7th feb 2022)

Chart 1

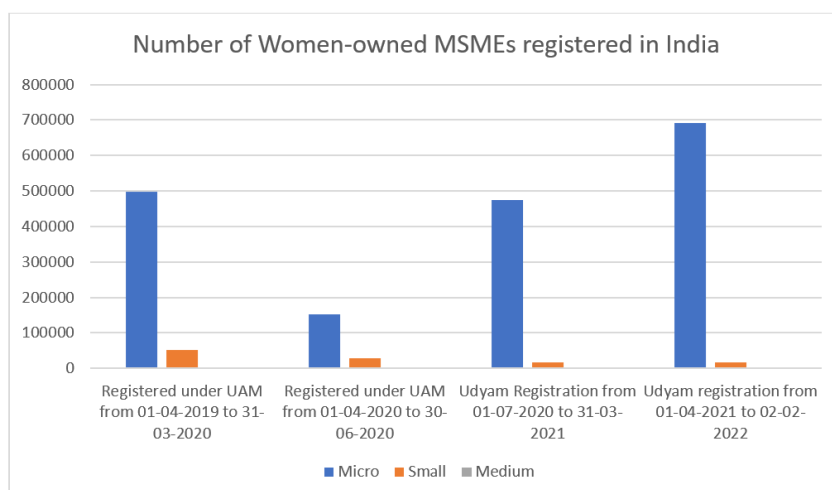


Chart 1 Showing registered women-owned MSMEs in India

The above table and chart represent the number of registered women-owned MSMEs in India from 2019 to 2022. The data shows an increase during the financial year 2019-2020 with 5,50,739 registrations, but there was a sharp decline between April 2020 and June 2020 to 1,81,822 registrations during the initial COVID-19 period. The registration by women-owned MSMEs partially recovered from July 2020 to March 2021 by 4,91,069 registrations. It increased drastically by the next financial year, 2021-2022, by 7,08,656 registrations. The micro-enterprises dominate the women-owned MSMEs over the period in India.

5.2. FACTORS CONTRIBUTING TO THE GROWTH OF WOMEN-OWNED MSMEs

Several factors are identified as enterprises' growth determinants for the study from previous studies on the related topic. The variables are taken from studies conducted by Abay et al. (2014); Tarfasa et al. (2016); Kahando et al. (2017); Alemayehu & Gecho (2016), and Meressa (2020), randomly. The study identified 15 factors, such as the education status of entrepreneurs, age of the entrepreneur, marital status, the nature of business, type of firm, the motivation to start their business, etc. Some variables are discussed below:

- **Education:** Education is related to the knowledge and skills of an entrepreneur. It is expected that the higher the education qualification of an entrepreneur, the more knowledge and ability they will have to face problems and seize opportunities for the business.
- **Location:** The location of the firm defines the progress of the business. Those enterprises situated in urban areas tend to grow rapidly due to a wider customer/consumer base compared to those in rural areas.
- **Sector:** The MSME sector comprises different areas, such as the primary, which includes agriculture, farming, poultry, dairy, etc.; manufacturing, Construction, and service sectors. The manufacturing sector dealing in household products such as eatables, articles of daily use, etc., tend to be more successful among women entrepreneurs.
- **Motivation:** Motivation of women entrepreneurs refers to the push an entrepreneur faces to start a business venture. Increasing unemployment especially in the government sector in the state has motivated women entrepreneurs with creativity and innovation to start their own ventures.
- **Ownership:** Generally, the ownership structure in Nagaland consists of sole proprietorship. This is because of the fact that sole proprietors are risk-averse and often prefer to invest in low-risk ventures as compared to partnership firms which takes larger risks to attract a higher rate of return.

Table 2 Showing the education status of women-owned MSMEs

| Education | | Percentage |
|------------|----|------------|
| Below HSLC | 25 | 16.7% |

| | | |
|----------|-----|-------|
| HSLC | 38 | 25.3% |
| HSSLC | 27 | 18.0% |
| Graduate | 39 | 26.0% |
| PG | 21 | 14.0% |
| Total | 150 | 100% |

Source Field study

Interpretation: The table 2 shows the educational qualifications of women-owned MSMEs. It can be seen that 26% of the women have graduated, 25.3% completed their HSLC, 18% are HSSLC passed, while 16.7% have either studied below high school or do not have any formal education, and 14% have completed their postgraduate.

Table 3 Showing the age of women entrepreneurs

| Age | | Percentage |
|--------------|-----|------------|
| Up-to 25 yrs | 12 | 8% |
| 26-35 yrs | 65 | 43.3% |
| 36-45 yrs | 41 | 27.3% |
| Above 45 yrs | 32 | 21.3% |
| Total | 150 | 100% |

Source Field Study

Interpretation: Table 3 shows the age group of women in MSMEs. It can be seen that 43.3% of the women are between the age group of 26 - 35 years, 27.3% are 36 -45 years, 21.3% are between the age group of 21.3% and only 8% are age up-to 25 years.

Table 4 Showing the location of women-owned MSMEs

| Area | | Percentage |
|------------|-----|------------|
| Urban | 108 | 72% |
| Rural | 6 | 4% |
| Semi-Urban | 36 | 24% |
| Total | 150 | 100% |

Source Field study

Interpretation: The table shows the areas where women MSMEs are located. It is seen that 72% of the entrepreneurs are in urban areas, 24% in semi-urban areas, and 4% of the enterprises are located in rural areas.

Table 5 Showing the motivation factor of Women-owned MSMEs

| Motivation | | Percentage |
|--|-----|------------|
| Family business, to get better income, and having entrepreneurship qualities | 120 | 80% |
| Unemployment and others | 30 | 20% |
| Total | 150 | 100% |

Source Field study

Interpretation: The above table shows the motivation factors for women entrepreneurs to start their MSMEs. It can be seen that 80% of the women are motivated to continue their family business or start an enterprise to get better

income or possess entrepreneurial qualities, whereas 20 % of the women get motivated to own an enterprise due to unemployment or other factors.

Table 6 Showing the factors and their coefficients on Women-owned MSMEs

| Factors | coefficient |
|------------------------------------|--------------|
| Education status | 0.20085765 |
| Maintain/record books of accounts | 0.114172731 |
| Area Situated | 0.094349233 |
| Marital status | 0.028595673 |
| Age | 0.022706529 |
| Nature of business | 0.00642992 |
| Source of income other than MSME | 0 |
| Motivation to start the enterprise | 0 |
| Type of firm | 0 |
| Form of business | 0 |
| Initial investment | 0 |
| Market linkage | 0 |
| Knowledge about trainings | -0.021425291 |
| Availed loan/credit facilities | -0.117212362 |
| Classification of the enterprise | -0.136562316 |

Source Compiled from own data

Chart 2

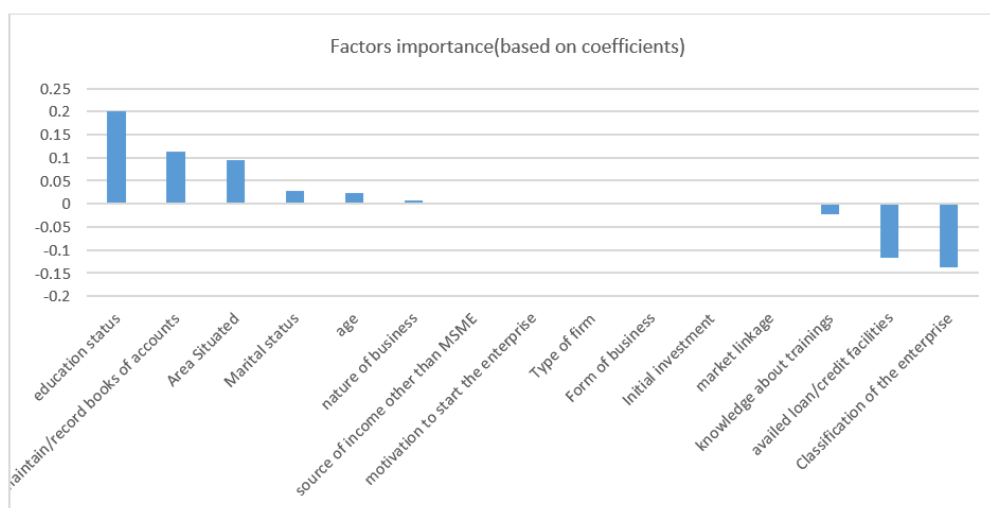


Chart 2 Showing factors influencing MSMEs in Nagaland

The research findings reveal significant positive and negative influences on MSMEs' growth among women entrepreneurs in Nagaland. Among the positive education qualifications of the entrepreneurs, influence the highest factor with a coefficient of 0.201, followed by maintaining and recording books of accounts (coefficient: 0.114), location of the enterprise (coefficient: 0.094), marital status (coefficient: 0.029), age of the entrepreneur (coefficient: 0.023), respectively.

Several factors showed zero coefficients, indicating no significant relationship with the enterprise growth. Those factors include having a source of income other than MSME, the motivation to start an enterprise, the type of firm, the form of business, their initial investments, and market linkage.

The study also revealed some negative factors that require careful consideration. The type of enterprise classifications presents the strongest adverse relationship with a coefficient of -0.137. Availing loans or credit facilities showed a negative association with a coefficient of -0.117, and awareness about training with a coefficient of -0.021.

5.3. CHALLENGES FACED BY WOMEN ENTREPRENEURS IN NAGALAND

Women entrepreneurs face different challenges from business to societal problems. Some of the challenges faced by women entrepreneurs in Nagaland are discussed below:

- 1) **Limited access to finance:** Women entrepreneurs in Nagaland face difficulty in acquiring finance for their businesses. Obtaining loans and credit from banks, creditors, and financial institutions is often a long and complicated process, and creates problems. They must rely on their own savings or a loan from local moneylenders at very high interest rates.
- 2) **Lack of proper training and skill development:** Many women entrepreneurs in Nagaland lack access to entrepreneurial training and skill development programs. The training centres, especially in rural areas, are either insufficient or do not function properly. The trainings provided often fail to address the practical needs of the business and market conditions, leading to low confidence and inefficiency in managing the enterprise.
- 3) **Lack of Infrastructure:** The infrastructure in many rural and backward places of Nagaland is still underdeveloped. Being a mountainous region, it cannot support railway connectivity to all the districts; thus, road connectivity is the main source of transportation. The poor condition of the roads, inadequate transport facilities, etc, make it challenging for women entrepreneurs to expand and manage their business.
- 4) **Awareness on Government initiatives:** The Central government, along with the state governments, has launched several initiatives to support women entrepreneurs. Many of the women entrepreneurs are unaware of the schemes, the benefits, the eligibility criteria, and the application process. Due to the lack of information, the schemes are not availed. The government should organise more awareness campaigns covering all the regions of the state.
- 5) **Limited market size:** Women entrepreneurs often face limited access to both local and national markets. With the rise in digital marketing, women-led enterprises face competition from large companies and cheap imports.
- 6) **Lack of skilled labour:** In rural areas, women-led enterprises often rely on family labour, which limits the growth of the enterprise. Skilled labourers are hard to retain since skilled labourers start their own enterprises or settle in urban areas, or are scouted by other enterprises at higher wages.
- 7) **Mental aversion towards entrepreneurship:** In a patriarchal state like Nagaland, the cultural norms and societal expectations play a role in mental aversion towards women entrepreneurship. Many women face resistance from their own family or society while trying to start or expand their business. The lack of motivational support from family and society contributes to the fear of failure.

6. CONCLUSION

The Women in the MSME sector of Nagaland have many developments and opportunities, though they face many challenges. Empowered women can be a key to building a future for their families. The growth patterns of women-owned MSMEs in India reveal fundamental insights in reshaping and understanding women's entrepreneurial achievement in the region. The study identified the factors that influence the growth of women-led MSMEs. It showed that the success of an enterprise is fundamentally rooted in human capital development. The educational qualification of women entrepreneurs influences the growth of MSMEs. Knowledge acquisition helps women navigate business challenges, make strategic decisions, and explore market opportunities. The classification of the enterprise and access to credit showed negative factors, indicating that microenterprises face more challenges. Easy access to financial support, knowledge, skills, and societal expectations are challenges encountered by women entrepreneurs in Nagaland. The findings suggest a need for a holistic approach that combines education and strategic business guidance.

The contribution of women entrepreneurs in the MSME sector has a significant impact on the country's economy. As more women launch profitable businesses, breaking the stereotype, they serve as role models for the new generation of women entrepreneurs. The government should take various initiatives to create awareness about schemes, organise skill enhancement programs, and provide financial assistance through loans and subsidies to promote and uplift women in starting their businesses.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

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