



Empowering women through MSMEs in Rural Areas: A study

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Abstract

Telangana's MSME sector is a vital component of the state's economy, with approximately 2.6 million MSMEs, 56% of which are situated in rural areas. These enterprises have generated employment for over 363,488 individuals. The state's MSME sector contributes significantly to its economic growth, with key industries including - IT and ITS, Telangana's IT sector has seen remarkable growth, with exports increasing at a rate of 17.93%, surpassing the national average. The state government has established Export Oriented Units, Software Technology Parks, and Special Economic Zones to foster growth. As far as the pharmaceutical sector is concerned, Hyderabad of India provides a major share in producing the medical and its accessories such as drugs and pharmaceuticals in Telangana state which accounts for nearly one-third of India's pharmaceutical production and one-fifth of its pharmaceutical exports, with Hyderabad being hailed as the Life Sciences Capital of India. As far as the food processing firms and local units which rely on raw materials for agro technological and agricultural raw materials which are produced, are concerned collected and processed food items which are prepared for rural and urban areas for meeting the local demand for food and related agricultural products which are very important and nutritional requirements of the rural and urban poor to meet the food Processing needs of the people. The state has achieved remarkable milestones in agricultural production, ranking first in the country for turmeric and sweet orange production. While looking into the matter of textiles there appears a good fortune opportunity to both Telangana and Andhra Pradesh states as far as the processing of sericultural products and raw materials production and processing units which prepare sarees and dhothees and kid wear textiles as we see in the blooming textiles sector is concerned. Concentrating on the matter of Telangana's textile industry boasts a rich history, with renowned legacy textiles like Pochampally and Gadwal silk.

- One most important sector is none other than the handicrafts sector. The state's handicrafts are highly praised, with many artisans relying on this sector for their livelihood. However, there are problems in undertaking business units in implementing the scheme in rural areas. This paper brings out certain problems as well as perspectives in rural development sector which is the core Sector such as access to markets and availability of credit in time and skill and development and technological know how. The situation seems better in the case of food manufacturing units and manufacturing of textiles. There is an immense need to study the said scheme and its impact on women and their areas of work and entrepreneurship.

Keywords: MSMEs scheme, women empowerment, Rural Vision, women entrepreneurship, Government support, skill development

Introduction

Nowadays women empowerment has been increasing so rapidly all over the world and women are starting their own business to work seek gear greater control over their personal and professional lives. They are growing and blooming as successful persons in their own right. They have proved that they are no less than men in efficiency, hard work or intelligence. The rural women are emerging as potential entrepreneurs. Female entrepreneurs are becoming wiser and more intelligent as they rise to the local level requirements of the government programmes to participate (k. Radha:2023) [1]. The problems and prospects of women beneficiaries and entrepreneurs in India (2015) focussed on various factors influencing women entrepreneurship and recommended measures for removal of obstacles to women entrepreneurship from the Indian perspective. The study identified that, it is the need of the hour to motivate women entrepreneurs to harness the unexplored areas of business venture and scale greater heights. (Syed Abdul Hameed :2015). The researcher focussed on the status of women entrepreneurs, problems faced by them and also offered suggestions for overcoming the constraints. It has been recommended that, there should be efforts from all sectors to encourage the economic participation of women and the

country should rise the challenge and create more support systems for encouraging more entrepreneurship amongst women. (James and Narayana: 2015). A study conducted on "Challenges and problems of rural entrepreneurship in India has stated that the major problems faced by rural women entrepreneurs are especially in the fields of marketing of Products, financial amenities and other primary amenities i.e availability of electricity, water supply, transport facilities and required energy etc. (Patel and Chavda:2013).

Research Methodology: This study is empirical in nature and is based on a primary survey of secondary sources of information provided by NSIC (the National Small Industries Corporation Limited, Hyderabad, NISIET (National Institute of Industrial and Extension and Training, Hyderabad) of Telangana state. And MANAGE (National Institute of Management of Agriculture and Extension) Hyderabad which were contacted for obtaining of information the most important research and training national level institutes. Information brochures and first hand meetings were conducted by the researcher to collect information of women beneficiaries both in rural and urban areas under the MSMEs scheme to know the process of selection of women beneficiaries, selection of schemes such as basket making and beedi making (a type of Cigarettes)

and duck keeping units, assistance such as provision of loans and subsidies, provision of training and marketing facilities by the government from time to time finances and as They support MSMEs, the Telangana State as the government has launched initiatives such as:

- **Telangana Industrial Health Clinic Limited (TIHCL):** Provides diagnostic and curative services to MSMEs, helping them overcome financial distress.
- **Telangana State Global Linker (TSGI):** A digital platform connecting MSMEs, enabling them to expand their reach and explore new markets.

Additionally, institutions like the National Institute for Micro, Small and Medium Enterprises (ni-msme) provide capacity-building programs and training for MSMEs, focusing on areas like rural women entrepreneurship development and digital branding.

MSME Scheme: Women empowerment in Telangana State: A Rural Vision.

The MSME scheme in Telangana is empowering women entrepreneurs, particularly in rural areas, through various initiatives. Here are some key programs and benefits:

MSME Schemes for Women Empowerment

- **Udyam Sakthi:** A network for nurturing social entrepreneurship, creating business models around low-cost products and services to resolve social inequities.
- **Prime Minister's Employment Generation Programme (PMEGP):** Women entrepreneurs are covered under Special Category, entitled to 25% and 35% subsidies for projects set up in urban and rural areas, respectively.
- **Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme:** Assistance in the form of Government of India grant up to 30% of the total project cost for promoting entrepreneurship among women.
- **Mahila Udyam Nidhi Scheme:** Provides financial assistance to women entrepreneurs.
- **Stree Shakti Package for Women Entrepreneurs:** Offers financial support and training to women entrepreneurs.

Telangana-Specific Initiatives

- **WE Hub:** A government-backed initiative to promote and foster women entrepreneurship in the state, providing business incubation, access to government resources, and networking opportunities.
- **Women Entrepreneurship Support:** Telangana offers various incentives, such as monthly allowances, subsidy on power bills, and reimbursement for setting up stalls in exhibitions.

Benefits offered for Women Entrepreneurs

- **Subsidies and Grants:** Financial support for setting up and running businesses.
- **Training and Mentorship:** Skill development programs and mentorship opportunities.

- **Access to Funding:** Assistance in accessing loans and grants.
- **Networking Opportunities:** Platforms for connecting with other entrepreneurs and industry experts.

These initiatives aim to promote women's economic empowerment, increase their participation in the workforce, and support their entrepreneurial endeavors.

MSME Scheme: Womens empowerment in Telangana State as in continuation,

the MSME scheme in Telangana is playing a vital role in empowering women, particularly in rural areas, by providing them with opportunities to start and grow their own businesses. Here are some key aspects:

Benefits for Women Entrepreneurs

1. **Financial Support:** MSME schemes offer financial assistance, such as loans and grants, to women entrepreneurs.
2. **Skill Development:** Training programs and workshops are conducted to enhance the skills of women entrepreneurs.
3. **Market Access:** MSME schemes provide opportunities for women entrepreneurs to access new markets and customers.
4. **Networking:** Women entrepreneurs can connect with other entrepreneurs, industry experts, and potential investors through MSME schemes.

Impact on Rural Women

1. **Economic Empowerment:** MSME schemes are empowering rural women to become financially independent.
2. **Increased Confidence:** Women entrepreneurs are gaining confidence and self-esteem through their business ventures.
3. **Improved Livelihoods:** MSME schemes are improving the livelihoods of rural women and their families.
4. **Role Models:** Successful women entrepreneurs are serving as role models for other women in rural areas.

Challenges and Opportunities

1. **Access to Finance:** Women entrepreneurs in rural areas often face challenges in accessing finance.
2. **Infrastructure:** Inadequate infrastructure, such as roads and transportation, can hinder the growth of businesses in rural areas.
3. **Market Linkages:** Women entrepreneurs need to be connected to markets and customers to grow their businesses.
4. **Skill Development:** Continuous skill development and training are essential for women entrepreneurs to stay competitive.

Overall, the MSME scheme in Telangana is playing a crucial role in empowering women, particularly in rural

areas, by providing them with opportunities to start and grow their own businesses.

Two NIC-2 Classified Sectors: Manufacture of food products and manufacture of textiles

The two NIC-2 classified sectors as mentioned are significant contributors to India's economy.

Manufacture of Food Products

- 1. Diverse Range:** This sector encompasses a wide range of products, including processed meats, dairy products, fruits and vegetables, grains, and starches.
- 2. Employment Generation:** The food processing industry is a significant employer, providing jobs to millions of people, especially in rural areas.
- 3. Growth Potential:** With increasing demand for processed food products, this sector has immense growth potential.

Manufacture of Textiles

- 1. Rich Heritage:** India's textile industry has a rich history, with traditional crafts like handloom and handicrafts.
- 2. Employment Opportunities:** The textile industry is a significant employer, providing jobs to millions of people, especially women.
- 3. Export Potential:** India's textile industry has significant export potential, with a growing demand for Indian textiles globally.

Both sectors play a vital role in India's economic development, contributing to GDP growth, employment generation, and export earnings.

However, in rural areas there is a large gap in aims and attainment. Still there is an important need to cater the developmental needs of rural women and rural entrepreneurs and actual attainment of industrial inputs and output. The areas required to be improved are: Training and skill development, short term lab and land technology, on par with small scale industrial development. A 15-day training course inputs are required. The personnel who required these inputs of training are beneficiaries of MSMEs at the Mandal level as well as at village level. Hence this present paper attempts to know the present situation at micro level credit and the input needs of training and development and short term training and skill development to operate machinery and equipment with prepared technology and imported from both rural and urban, foreign and indigenous technology in attainment of skill and emerging small technology which is conducive and be implemented in urban and rural areas and entrepreneur professionals which are women who belong to rural areas.

Challenges faced by rural women entrepreneurs: Limited access to finance, social and cultural constraints, lack of education and training, poor networking opportunities, safety concerns, gender bias.

Prospects for rural women: Government initiatives, growing entrepreneurship eco system, digital library and literacy and womens cooperatives.

Survey based insights

A survey by Google-Bain found that female business owners in India face significant challenges, including limited access to professional networks and insufficient

avenues for network development. Another study highlighted the importance of government initiatives and support systems in promoting women entrepreneurship in rural areas.

Empowerment initiatives

Economic empowerment, such as women cooperatives and self-help groups, micro finance and healthcare and awareness, land rights economic security and decision-making power.

Technology inclusion which consists of digital literacy programmes, mobile applications for agricultural information, application for loans, and online learning platforms to bridge the digital divide.

Community awareness to organise and participate in workshops and media campaigns to challenge societal norms and promote gender equity.

Success stories

Women leadership schools to train village level angan vadees, self help groups which empower women to start income-generating activities such as soap-making, dairy farming and handicrafts.

Conclusions

Empowering rural women requires a multi-faceted approach that addresses their economic, social, and health care needs. By providing access to education, vocational training, and financial inclusion, we can create a conducive environment for women's empowerment. Government schemes and initiatives, along with community awareness programmes, can help challenge societal norms and promote gender equity. Ultimately, empowering rural women will contribute to India's overall socio-economic development and growth.

Here are some inspiring case studies of rural entrepreneurship and rural development:

Successful rural Entrepreneurship ventures.

Solar- power start-up which improves the quality of living in rural areas. Agricultural cooperatives to overcome the problems of agriculture. E- commerce platform for rural artisans which include access to global markets information marketing channels and sales channels. This initiative preserved traditional crafts, created sustainable livelihoods, and fostered cultural pride.

Soap making enterprise in Maharashtra's Devale panchayat, a group of women formed a self-help group and started a soap-making enterprise. With an initial investment of INR 4000, they now earn INR5200, marketing their products in local shops.

Farmer's Cooperative for paddy harvesting: In Bhojare panchayat, a group of farmers came together to invest in a semi-automatic rice cutting machine. This initiative helped them earn INR 300 on first day of the machine and increased their income.

Benefits from rural entrepreneurship

Job creation generating employment opportunities, reducing rural-urban migration and poverty. Economic growth contributes to local economic growth, increasing income and purchasing power, diversification of economy resulting diversify the economy, reducing dependence on a single industry.

Sustainable development of rural entrepreneurs and their practices, environmental conservation and eco-friendly technologies.

1. Mahalakshmi Scheme Under the scheme, the financial assistance of INR 2500 will be given to all the female citizens of the state. All female citizens who are above the age of 18 years are eligible to avail the benefit of the scheme.
2. Mahila samruddhi yojana is a government initiative to empower women from economically weaker sections by providing them with monthly financial assistance of 2500. This scheme is designed to enhance women's financial independence, promote education, and support small-scale entrepreneurship.
3. The Telangana government has a few schemes aimed at empowering women including the Indira Mahila Shakti policy and Mahila Shakti Kendra Scheme.
4. Kalyana Lakshmi Pathakam has been launched by the Telangana government on 02nd October 2014 for all Sc, ST, B.c & EBC girls on their marriage with a view to alleviate financial distress in the family.

The Telangana government unveiled the Indira Mahila Shakti Policy-2025 on Saturday of 8th March -2025 reinforcing its commitment to women's economic development.

The above scheme's goals include increasing productivity, skills and resource utilization addressing social, economic and psychological barriers facilitating social mobilisation of women transforming women into successful entrepreneurs.

The scheme is implemented through the Society for Elimination of Rural Poverty (SERP) an autonomous entity under the Rural Development Department. The beneficiaries are both in urban and rural areas from and as SHG's women belonging to scheduled castes/tribes. Widows abandoned women victims of violence, disabled women. Proper training should be given to them to apply for the above schemes.

Free sewing machines. Under women entrepreneurship IT start-Up Telangana, Dena Shakti Scheme started. This scheme provides Rs. 20 lakhs for women entrepreneurs in agriculture, manufacturing micro credit retail stores, and entrepreneurship programme of We-Hub.

Objective

Intense Outreach programme of We-Hub will benefit the women through the following activities.

1. To extend assistance on skilling/ entrepreneurship to women living in rural areas of mandals and districts.
2. To make the rural women to understand skilling opportunities/journey of entrepreneurship
3. To have a goal-setting exercise with each woman and a roadmap for skilling programme/establishing the enterprise.
4. Project inclusion under social impact and entrepreneurship programme of We-Hub is a 6 months incubation program to establish a role model MSMEs in 5 targeted sectors namely, manufacturing, food processing, Fast Moving Consumer Goods (FMCG), Textiles & Handlooms, and Handicrafts are to create employment and improve quality of life in the villages.

Women particularly living rural areas should be exposed to awareness programmes related to entrepreneurship. Government should come up with better schemes for women entrepreneurs, keeping in mind their challenges and constraints. Entrepreneurship should be taught as a mandatory or optional subject at school level. Counseling

through the medium of successful women entrepreneurs of NGOs, specialists could be provided. Women entrepreneurs should be given provision of credit system at micro level or enterprise level. Women entrepreneurs should be looked after by the central as well as state governments (Radha, K:2023) ^[1]. Good quality infrastructure such as water, electricity, rail transport goods and services. A study by World Bank, revealed that financial units and institutions meet only 27% of financial demand of women-owned micro, small and medium enterprises in India. So, there is a need of making sound financial infrastructure for these industries. Management and technical assistance, increasing awareness among women in rural areas and their rights should be made known.

Case Studies

As a part of women's participation the researcher has been in contact with the women beneficiaries. Under the scheme of manufacturing sector category i.e., manufacturing of surgical bandages one beneficiary entrepreneur has been sanctioned an amount of Rs. 9,85,000/- as total capital with; a government subsidy allocation of Rs. 3,75,000/- which the government released towards surgical bandage project which has been successful.

Another women beneficiary under MSMSE scheme has undertaken mandap decoration (pondal) business and with a total project cost of Rs. 2,50,000/-. The government sanctioned her an amount of Rs. 65,790/- as subsidy following a 3-year subsidy realising time and the business has been successful.

Another example of successful event of women entrepreneur has been the women beneficiary who started with a total project outlay of Rs. 5,00,000/- under tailoring scheme with an allocation to this women beneficiary by the government of an amount of Rs. 1,25,000/- which has been successful MSMEs beneficiary.

However, there have been failures also. In a women beneficiary case under food processing unit of bakery products preparation, the beneficiary started with a capital of Rs. 2,50,000/- which has been not realised because due to a non-traceable case and this beneficiary has met with a failure.

Usually a subsidy realisation is accepted at the most 25% of the total cost in urban areas and 35% of the total cost as subsidy. One most relevant to rural areas government scheme under the name of PM Vishwakarma Scheme. Under this scheme rural artisans such as cobblers, pot makers, goldsmiths, washermen and barberers and to this 1 lakh each is granted as another Rs. 15,000/- is being sanctioned to every rural artisan to be provided with tool kits depending upon professions to purchase iron boxes, etc.

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