



A Gendered Perspective on Micro, Small and Medium Enterprises: Key policy challenges and options

Copyright © UN Women 2012
Published in India

Reproduction of this publication for educational or other non-commercial purposes is authorized, without prior written permission, provided the source is fully acknowledged.

The opinions expressed in this report do not necessarily represent those of UN Women, United Nations (UN), or any of its affiliated organisations.

Compiled by: Swapna Bist-Joshi, Madhuparna Das Joshi and Sreela Dasgupta

Editorial Inputs: Anne F. Stenhammer, Sushma Kapoor, Yamini Mishra, Sharmistha Sinha, Navanita Sinha and Bhumika Jhamb

Copyeditor: Urmila Dasgupta

A Gendered Perspective on Micro, Small and Medium Enterprises:

Key policy challenges and options



UN Women
South Asia Sub Regional Office
19A, Rajdoot Marg, Chanakyapuri
New Delhi – 110021, INDIA
Voice: +91-11-26119128/20/24/29
www.unwomensouthasia.org
www.unwomen.org

I. Executive Summary¹

The MSME Sector, also known as the 'engine of growth' provides the much needed stimulus to the economy as it contributes significantly to the national manufacturing output and exports. It has the second largest share of employment after agriculture at a comparatively lower capital cost than large industries, therefore, also contributing to equitable socio-economic development. At the macro policy level, it is important to provide the necessary impetus to this important sector not just because it is an important contributor to the National GDP but also, because it provides livelihood to the marginalized sections of the society - with women and members of minority communities constituting more than half of those employed in this sector - in a sense thus enabling faster and inclusive growth.

As this sector provides opportunities to women for both self-employment and wage employment; this policy brief underpins the pivotal shift from perceiving women as recipients of welfare measures to acknowledging them as economic agents and drivers of growth. This brief is an effort at presenting a gendered perspective of the Micro, Small and Medium Enterprises (MSME) sector in India. It attempts to identify, locate and highlight key gender related policy challenges and options within the MSME sector at two levels:

1. Women and wage employment

The policy brief underlines the need to encourage good quality employment. It touches upon the issues and concerns around informal businesses that are labor intensive, have huge numbers of female work participation and are unregulated by manpower regulations such as labour laws. Female workers may face wage disparity, may not be provided maternity benefits etc. Other issues such as sexual harassment policies and social security concerns are also discussed.

2. Women entrepreneurs

It strengthens the need to develop, encourage and foster women entrepreneurship so as to make them viable and competitive. Identifying barriers and suggesting ways of creating a conducive policy environment - by way of simplified laws and policies on the one hand and designing programmes that help hone skills in capital management, marketing and business, technology etc. on the other.

II. The Context

The MSME sector is widely acknowledged as the 'engine of socio-economic growth' for developing economies necessary for equitable and inclusive development. In India too, MSME play a pivotal role in the overall industrial economy of the country and account for almost 40 per cent of the total industrial production and 95 per cent of the industrial units (along with medium industries). In terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 per cent of the total exports of the country and contributes 8 per cent of the country's GDP. The sector is estimated to employ about 595 lakh persons in over 261 lakh enterprises throughout the country².

The policy environment

It was through the Industries (Development and Regulation) Act, 1951 that India adopted several socio-economic policies that recognized and established the need for MSME growth in order to improve the socio-economic status of the country.

On 2nd October 2006, the Micro, Small and Medium Enterprises Development (MSED) Act, 2006 came into effect. This was a watershed year for the sector as this act defined the policy direction as well as addressed important policy

¹This policy brief draws on valuable inputs provided at a National Consultation on the 'Policies and Schemes for Women in Micro, Small and Medium Enterprises – Reviewing Status and Identifying Policy Asks for the Twelfth Plan' organized on 9th December, 2011, by UN Women. Multiple stakeholders from the government, policy advocates, NGOs, cooperatives, corporate etc. came together to identify key challenges, opportunities and potential for intervention to facilitate participation of women in this sector. It also draws heavily from other secondary sources such as Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, GOI 2010 and the Report of the Working Group on MSME Growth for the 12th FYP (2012-17).

²MSME Annual Report, 2011-12

issues affecting the sector. The coverage of the MSME sector was broadened significantly as it recognized the concept of enterprise as opposed to the earlier concept of industry and to include manufacturing and services sector besides, defining micro, small and medium enterprises³. The Union and State Governments have since taken effective steps towards implementation of this Act⁴. Concomitantly, the Ministry of Agro and Rural Industries and the Ministry of Small Scale Industries were merged into a single ministry- the Ministry of Micro, Small and Medium Enterprises (MSME). The MSME Ministry provides the institutional structure that designs and steers policies related to this sector and implements and monitors several MSME schemes and programmes.

Another important milestone with regards to policy recommendations related to MSME was the Prime Minister's Task Force⁵ on Micro, Small and Medium Enterprises that was constituted on 2nd September 2009. The objective of the Task Force was to reflect on the issues inhibiting the growth of the sector and formulate an agenda for action after discussions with all stakeholders⁶.

The Eleventh Plan (2007-12) approach to the MSME sector marks a shift from the welfare approach to that of empowerment. The Plan underlined the importance of this sector as an engine for sustained and inclusive economic growth and employment. It acknowledged the MSME sector as an important segment

of industry which is unorganized and hence needs support and access to all schemes of industry with special enabling provisions. It also prioritized the sector on the basis of its capacity to provide livelihoods, check rural-urban migration, generate export earnings and improve the lives of the most marginalized. More importantly, it acknowledged MSMEs as not just 'GDP earners' but as instruments of inclusive growth, which touch upon the lives of the most vulnerable and the most marginalized⁷ sections of the population such as women, Muslims, SCs, and STs—and the most skilled.

Women's participation in the MSME sector: An appraisal

Despite non-availability of a comprehensive sex-disaggregated data on this sector, it is a well established fact that huge number of women workforce in India are engaged in the MSMEs-majority of which are in the unorganized sector. Over 60 per cent of the workforce comprises women in sectors such as handloom. Chemical and plastics, food processing, and village industries also employ a large number of women⁸. The proportion of women entrepreneurs is, however, quite low and as per the MSME Annual Report 2011-12, 13.72 per cent (approximately 2.15 lakh) of the enterprises in the registered MSMEs sector were women enterprises⁹, whereas the share of enterprises actually managed by women is also 13.72 per cent¹⁰.

Table 1 presents the data on women enterprises, enterprises managed by women and sex disaggregated data on employment, for both registered and un-registered units as per the Fourth All India Census of MSMEs.

Table 1: Statistical data on women's participation in the MSME sector

	Distribution			Percentage distribution			
	Registered	Un reg.	Total	Registered	Un reg.	Total	
Number of women Enterprises	215036	1704938	1919974	13.85	6.95	7.36	
Number of enterprises managed by woman	156753	N. A.	156753	10.10	N.A.	N.A.	
Employment by male and female	Male	7619234	41700391	49319625	76.43	83.99	82.72
	Female	2349525	7950377	10299902	23.57	16.01	17.28
	Total	9968759	49650768	59619527	100.00	100.00	100.00

Source: Based on the Summary Results of Fourth All-India Census of MSMEs 2006-07, Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, GOI 2010.
Note: Abbreviations - Un reg. - unregistered.

Schemes for women entrepreneurs in MSME

The Government of India has instituted several schemes for promotion and strengthening of micro, small and medium enterprises across various ministries and departments. There is a concerted effort to make special provisions for women through special schemes/programmes that are 100 per cent women specific; as well as ensuring that women entrepreneurs are benefited through concessions/special provisions through other beneficiary-oriented schemes of the ministry. However, analyses of the schemes reveal not only inadequacy of such schemes but also

inadequacy of budgetary provisions as well as limited outreach to intended beneficiaries. Table 2, provides information with regards to the Gender Budget for the Ministry of MSME for the financial year 2012-13. The Gender Budget¹¹ for the Ministry is 15 per cent of the total plan outlay for 2012-13. Several important schemes, such as Trade Related Entrepreneurship Assistance Programme (TREAD)¹² – do not reflect in Part A of the Gender Budget Statement (GBS) in 2012-13; as well as several other important schemes such as the Credit Support Programme¹³ (with an outlay of 7 Crores in 2012-13) are missing from the GBS.

³The MSMED Act, 2006 definition of micro, small and medium enterprises:

- Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:
 - A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 Lakh;
 - A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25 Lakh but does not exceed Rs. 5 Crore; and
 - A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs.5 Crore but does not exceed Rs.10 Crore.
- Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006 are specified below.
 - A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10 Lakh;
 - A small enterprise is an enterprise where the investment in equipment is more than Rs.10 Lakh but does not exceed Rs. 2 Crore; and
 - A medium enterprise is an enterprise where the investment in equipment is more than Rs. 2 Crore but does not exceed Rs. 5 Crore.

⁴MSME Annual Report, 2011-12

⁵This Task Force was constituted under the chairmanship of Shri T.K.A. Nair, Principal Secretary to Prime Minister of India.

⁶MSME Annual Report, 2011-12

⁷Eleventh Five Year Plan, 2007-12, Volume III, Planning Commission, Government of India (GOI)

⁸ibid

⁹An enterprise (Manufacturing or Services) managed by one or more women entrepreneurs in proprietary concerns, or in which she/ they individually or jointly have a share capital of not less than 51 per cent as partners/ share holders/ Directors of Private Limited Company/ Members of Co-operative Society is called a 'Woman Enterprise'.

¹⁰13.72 per cent are those registered in the name of women. This does not essentially mean that they are managed by women. However, as per the data (annual report), those managed by women are also 13.72 per cent of the total number. (Managed by women does not necessarily imply that these are registered in the name of women).

¹¹The gender budget Statement indicates in two parts, the budget provisions for schemes that are substantially meant for the benefit of women. Part A details schemes in which 100 per cent provision is for women. Part B reflects schemes where the allocations for women constitute at least 30 per cent of the provisions.

¹²The scheme envisages economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. There are three major components of the scheme.

¹³Under this Programme, a Credit Guarantee Fund Scheme for Micro and Small Enterprises is operational. Through this scheme, the guarantee cover is provided for collateral free credit facility extended by Member Lending institutions (MLIs) to the new as well as existing small enterprises on loans up to 100 lakh. In another component of Portfolio Risk Fund (PRF) under this programme, Government of India provides funds for Micro Finance Programme to SIDBI which is used for security deposit requirement of the loan amount from the MFIs/NGOs.

Table 2: Gender Budget: Ministry of Micro, Small and Medium Enterprises 2012-13

	Scheme	Budget E 2012-13 (in Rupees Crore)
Part A (100 per cent women specific)		
1.	Mahila Coir Yojna	3.00
Total part A		3.00
Part B 30 per cent-99 per cent provisions for women		
1.	Prime Minister's Employment Generation Programme	382.88
2.	Rejuvenation, Modernization and Technology Upgradation of Coir Industries	4.80 t
3.	Scheme of fund for Regeneration of Traditional Industries (SFURTI)	30.00
4.	Khadi Reform Development Package (ADB Assistance)	15.00
5.	Interest Subsidy Eligibility Certificate for Khadi and Polyvastra	7.80
6.	SFURTI (Coir)	0.60
7.	Market Promotion (including Export Promotion) & Publicity (inclusive of new component of marketing/plazas and Modified MDA	36.00
Total Part B		477.08
Total Gender Budget of the Ministry of MSME (Part A + Part B)		480 crores (15 per cent of the total outlay 2012-13)

Source: Expenditure Budget Vol. I, 2012-2013, Gender Budget Statement and Notes on Demands for grants, 2012-13, Ministry of MSME, Demand No. 65

III. Critique of Policy Option(s)

The size of registered MSMEs is estimated to be 15.64 lakh of which 45.23 per cent enterprises are located in rural areas. Of the total working enterprises, the proportion of micro, small and medium enterprises is in the tune of 94.94 per cent, 4.89 per cent and 0.17 per cent respectively. This comprises 67.10 per cent of manufacturing enterprises and 32.90 per cent of services enterprises estimated to employ about 595 lakh persons in over 261 lakh enterprises throughout the country¹⁴ with a huge presence of women in the workforce. The MSME sector generates opportunities for self-employment and wage-employment of women and therefore

contributes significantly to economic growth and equitable development. The key gender related policy challenges within the MSME sector are outlined at two levels- Women and wage employment and Women entrepreneurs.

1. Women and wage employment

In India, more than 94 per cent of MSMEs are unregistered¹⁵, with a large number established in the informal or unorganized¹⁶ sector with high rates of female labour participation. The unorganized sector is often un-regulated by labour laws and women workers in such establishments face precarious forms of employment- low wages, inappropriate working

conditions, absence of social security, maternity benefits and sexual harassment provisions. In the absence of access to rights, women workers are subjected to all forms of harassment. There is evidence to show that women in the unorganized sector suffered a decline in number of work days available, poorer payment for piece work, deterioration in employment status, conversion to casual or temporary status, etc¹⁷. The predominance of unorganized MSMEs that employ women workers, is a critical aspect that needs to be factored in while formulating gender responsive labour norms, programme implementation and compliance policies. The need for such provisions was clearly laid out in the Eleventh Plan. "During the Eleventh Plan period, it is essential to provide a social security cover that is sensitive to women's special needs. Equal wages, adequate protection, provision of drinking water, toilets, crèche, and feeding facilities will be ensured in all small units and for every cluster"¹⁸. From the macro-economic perspective, it is equally important to promote and safeguard women's equal access to wage employment by way of increased opportunities for women to participate as wage earners and better remunerative options as skilled workers.

2. Women entrepreneurs

Women's entrepreneurship has been increasingly recognized and acknowledged as an important 'untapped source of economic growth'¹⁹. Women entrepreneurs contribute to the economy as they create new jobs for themselves as also for others. Yet, despite this recognition, they face several barriers- both societal and systemic- that hugely limits their full participation. Women entrepreneurs face severe constraints in terms of limited access to finance, information, productive resources, education and relevant skills. Finally, household responsibilities and societal constraints increase their risk adverseness and affect their self-confidence²⁰. They still represent a minority

of all entrepreneurs and this is attributed to a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized²¹.

However under-represented, women entrepreneurs create new jobs for themselves as well as others, contribute to the economic well being of the family, poverty reduction and women's empowerment.

IV. Policy Recommendations

In light of the gaps in the perspective to gender responsive planning and lacunae in existing policies, a few recommendations are put forward to create gender sensitive MSME policies that will further the productivity of the sector and the economy of the nation as a whole. The recommendations are bifurcated according to the two levels along with gaps in policy have been identified previously.

1. Recommendations for policies with regard to women and wage employment

i. To ensure strict compliance with labour laws in both organized and unorganized sectors especially those related to women workers.

Women constitute a significant part of the workforce yet they are discriminated against in terms of work participation and quality of employment. Apart from the Maternity Benefit Act, almost all the major central labour laws²² are applicable to women workers yet there is discrimination in employment and wage parity. There is a need to strictly enforce the Equal-Remuneration Act-1976 (ERA). As recommended by the Working Group on Women's Agency and Empowerment (Twelfth Plan), a mechanism should be created by which trade unions are involved in

¹⁴MSME Annual Report, 2011-12

¹⁵Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, GOI 2010.

¹⁶The National Commission for Enterprises in the Unorganised Sector (NCEUS) defines unorganized sector as enterprise employing less than 10 workers. It has estimated such enterprises at 58 million with employment generated of 104 million persons. Of these, more than half the workers are classified as 'self-employed'. A large segment in this universe of self-employed consists of those who are engaged in non-farm activities.

¹⁷XII Five Year Plan Report of the Working Group on Women's Agency and Empowerment, MWCD, GOI, 2012

¹⁸Eleventh Five Year Plan, 2007-12, Volume III, Planning Commission, GOI

¹⁹Women Entrepreneurship: Issues and Policies, Organization for Economic Cooperation and Development (OECD), 2004

²⁰Working Paper No. 16, Better access to growth: Mainstreaming gender in cluster development, UNIDO, 2007

²¹Women Entrepreneurship: Issues and Policies, OECD, 2004

²²There are about 44 labour related statutes enacted by the Union Government dealing with wages, social security, labour welfare, occupational safety and health, industrial relations etc.

the enforcement of the ERA so that it can benefit the large number of women and workers in the informal sector. Also, it is important to ensure compliance of the Supreme Court guidelines on sexual harassment at the workplace. Data should be maintained on the same.

ii. To promote women's equal access to social protection

"Hitherto, labour related issues had focused on regulation rather than welfare. Though labour welfare has taken deep roots, the actual number of workers in the country provided with social security continues to be quite small in relation to the workforce. Therefore, if we are to reach out to the segment missed out so far, we need to focus equally on regulation and welfare. The future strategy ought to focus on providing social security to the unorganized workers in the MSME sector"²³. The social security aspects relating to the unorganized sector are addressed by the Unorganized Workers Social Security Act, 2008 (UWSSA)²⁴. There should be stress on ensuring strict compliance of the provisions under this act as well as, equal access of women to these schemes. It is important to maintain statistics on sex-disaggregated beneficiaries. The poor, single or widowed women-headed households should be provided priority preference to access these schemes- especially those related to housing, educational schemes for children and publicly-funded social pension schemes.

iii. A watchdog for the unorganized sector

The National Commission on Enterprises in the Unorganized Sector (NCEUS) was set up by the Government in September 2004 as an Advisory Body and a watchdog for the unorganized/ micro sector²⁵. This has been scrapped. It is

important to establish a similar institution with the mandate to provide promotional and developmental support and to advocate policy formulation for the unorganized/ micro sector²⁶ and also to oversee and monitor labour-related issues in this sector. A gender cell within this should be established to ensure that a gendered perspective is maintained.

iv. Job creation and skill upgrading

Statistics point at a slow opening up of the labour markets in industry and service sectors to women and this affects equal employment opportunity for women. The barriers to women's employment in these sectors need to be understood and addressed²⁷. There is a need to enhance employability of women, especially in the organized sector so as to ensure equal access and benefits for women. Policy directive with regards to pre-defined targets for women employment can be established.

Lack of adequate skills is one of the major impediments affecting women's participation in the workforce, particularly in the secondary and tertiary sectors²⁸, perpetuating their concentration in low paid and unorganized sectors. The Prime Minister's Task Force has recommended the National Mission for Development of Skills in the unorganized sector and a programme for Employment Assurance and skill formation to cater to the requirement for job creation and skill upgradation in this sector. The objective of the programme is to develop human capital through on-the-job training. It is important to ensure equal access for women to these schemes. It is also crucial to allocate a gender budget commensurate to the gender gap

in wage employment in this sector. It is equally important to maintain sex-disaggregated data on beneficiaries of the proposed schemes.

2. Recommendations for policies with regard to women entrepreneurs

i. Creating systematic knowledge on women entrepreneurship: addressing data gaps by strengthening statistical systems and methods

The non-availability of reliable and valid data continues to be one of the key obstacles to understanding the challenges specific to women's entrepreneurship and their impact on economic growth. For example, in Canada, the Prime Minister's Task Force on Women Entrepreneurs (2003) collated statistics on women entrepreneurs in Canada. It was found that there are more than 821,000 Canadian women entrepreneurs and they contribute to an excess of CAD 18,109 million to the economy annually. Between 1981 and 2001, the number of women entrepreneurs in Canada, increased 208 per cent, compared with a 38 per cent increase for men²⁹. There is a need to collate such data and commission policy research to assess the impact of women entrepreneurship on the economy.

ii. Engendering MSME policy and schemes

Necessary steps should be taken to incorporate a women's entrepreneurial dimension³⁰ in all MSME related policies and schemes. Adequate representation of women entrepreneurs should be ensured in any MSME policy planning committee/Task Force. A separate Task Force on women entrepreneurs should be constituted with clear, defined objectives. Evaluation studies can be commissioned to study the impact of MSME related policies on women-owned businesses - the effect of such policies on the entry, growth and exit of such businesses.

iii. To promote the development of women entrepreneur networks and platforms

This will help organize a collective voice that can advocate for gender responsive policies and schemes. Women entrepreneurs can link up with such networks that can provide them mentoring as well as information and access to local, national and international market linkages.

iv. Entrepreneurship Development Programme for women entrepreneurs

An entrepreneurship Development Programme should be introduced across all sectors (Khadi, Coir, Food Processing etc.) and especially for sectors with predominant women workforce such as the coir industry³¹. A new Entrepreneurship Development Programme may be introduced under which training should be provided to prospective entrepreneurs and women workers to upgrade their skills. A modified scheme of *Mahila Coir Yojana*³² with an increased ceiling of assistance may be introduced by including modern spinning devices and weaving equipments during the Twelfth Plan³³.

v. Increased access to credit

Gender-based disadvantages in access to adequate and timely credit are well documented. The high cost of credit, collateral requirements as well as gender biased perceptions of lending agencies towards women entrepreneurs are detrimental to gain access to credit. The Eleventh Plan clearly states that 'women entrepreneurs will be provided easy access to credit and appropriate advisory and mentoring services'³⁵. The Prime Minister's Task Force has recommended a separate fund to be created with SIDBI- 'Special Fund for Micro Enterprises' to overcome credit related issues. This fund is to be utilized exclusively for lending to the micro-enterprises. It is important to ensure that a

²³Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, GOI, 2010.

²⁴The UWSSA provides for a National Social Security Board at the Central level and for welfare schemes to be formulated by the Central Government on matters relating to (a) health and disability cover, (b) health and maternity benefits, (c) old age protection, and (d) any other benefits as may be determined by the scheme (Indira Gandhi National Old Age Pension Scheme, National Family Benefit Scheme, Janshri Bima Yojana, Rashtriya Swasthya Bima Yojana etc. are among the welfare schemes notified in Schedule 1 of the Act under the Central Government). The Act provides a State Social Security Board at the state level to recommend suitable schemes in the State sector and monitor social welfare schemes for unorganized workers. Schemes relating to (a) Provident Fund (b) Employment Injury Benefit (c) housing (d) educational schemes for children (e) skill upgradation of workers, (f) funeral assistance; and (g) old age homes, is to be formulated and administered by the State Governments.

²⁵The NCEUS has estimated the size of the unorganized non-farm sector enterprises at 58 million during 2006-07, providing employment to 104 million workers.

²⁶Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, GOI, 2010.

²⁷XII Five Year Plan Report of the Working Group on Women's Agency and Empowerment, MWCD, GOI, 2012.

²⁸ibid

²⁹ibid

³⁰ibid

³¹80 per cent of the workers employed in coir industry are women, particularly in the pre-product sectors.

³²*Mahila Coir Yojana* is the first women oriented self employment scheme implemented by the Coir Board, MSME since 1994.

³³Report of the Working Group on MSME Growth for 12th Five Year Plan (2012-17), Ministry of Micro, Small and Medium Enterprises, 2012.

³⁴Eleventh Five Year Plan, 2007-12, Volume III, Planning Commission, GOI.

³⁵Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, GOI, 2010.

proportion of this fund is exclusively earmarked for women run micro-enterprises and women entrepreneurs starting a new enterprise. Also, lending for women should be recognized as priority sector lending, for which NABARD and RBI can issue necessary directives³⁶.

As recommended by the Task Force, enhancement of the collateral-free loan limit for MSEs from Rs. 5 Lakh to Rs. 10 Lakh and absorption of the one-time guarantee fee and annual service charges by the banks under the Credit Guarantee Scheme to facilitate higher flow of credit to MSMEs without collateral/third party guarantee should be implemented with immediate effect. This will increase access of women entrepreneurs to credit. A gender budget should be assigned to all credit related schemes of the Ministry of MSME as well as other line ministries/departments.

As proposed by the Twelfth Five Year Working Group on Women's Agency and Empowerment, an innovative strategy of setting up credit counseling centres for women at district and bank level should be planned and implemented.

vi. Increased access to market linkages

Marketing³⁷ is one area where MSMEs face challenges and the same may range from procurement of raw materials to lack of market information. The MSED Act, 2006 lays down a Public Procurement Policy for MSME. This policy can set in-effect goal for government departments and PSUs to reach, over a stipulated period, a target of at least 20 per cent of their annual volume of purchases from micro and small enterprises (MSEs), and mandate them to report their achievements in this regard in the

annual reports³⁸. This policy has the potential to earmark a percentage of these procurements to be sourced from women-owned enterprises and clusters³⁹. A criterion for eligibility can be drawn accordingly. The Prime Minister's Task Force also recommends formulation of setting up of Marketing Development Assistance Fund and formulation of a Market Development Assistance Scheme for MSMEs. Women entrepreneurs should have equal access to these schemes. Also, there has to be an attempt to enhance outreach and coverage of women entrepreneurs to the existing schemes such as Marketing Development Assistance (MDA) Scheme⁴⁰, National Manufacturing Competitiveness Programme (NMCP)⁴¹ etc.

vii. Gender sensitive infrastructure

There are two Central Government programmes that address the objective of building industrial infrastructure – the Industrial Infrastructure Upgradation Scheme (IIUS), Department of Industrial Policy and Promotion and Integrated Infrastructural Development (IID) scheme of Ministry of MSME. It is important to ensure that such infrastructure related schemes are gender responsive. To ensure among other provisions, separate toilets for women, crèche facility, separate dormitories/rest rooms for women.

The Working Group on MSME Growth for the Twelfth Five Year Plan (2012-17) has recommended a new scheme for development of Marketing Infrastructure for MSMEs during the Twelfth Plan period. The objective of the scheme is to provide integrated marketing support to MSMEs. The projects and infrastructure funded under this scheme will include display-cum-sale/exhibition centres and information dissemination centres. It is important to ensure

that this scheme is inclusive and factors in the special needs of women entrepreneurs.

viii. The role of District Industries Centres (DICs): bridging the information gap

The District Industries Centres are important as they can extend information related services (information regarding business development, MSME related policies/schemes/programmes of both central and state government, Banks and Financial services etc.) to both prospective and existing entrepreneurs. DICs can also facilitate link with financial institutions, in providing marketing support to MSMEs by organizing exhibitions/buyers seller meets, facilitating revival/rehabilitation of sick MSMEs by engaging professionals/experts and fostering entrepreneurship and skill development⁴².

Lack of information regarding schemes and financial services is one major barrier for women entrepreneurship development. The DICs can take special measures to provide information related services to women. They can organize special information drive targeting women to educate them about the various services and schemes.

The schemes/programmes in the MSME sector are spread across several ministries and departments, therefore DICs can also function as a single window to facilitate information on all such schemes.

V. Conclusion

It is imperative that the macroeconomic policies recognize women as agents of economic growth and active contributors to the national GDP. There is a need to create an environment that fosters women's growth as contributors to the key sectors of the economy. The prerequisite

clearly is to plan a responsive policy action that not only enables women's equal access to decent and productive employment but also enhances women's participation and growth as entrepreneurs. This can be achieved through engendering public investments for job creation; creating and upgrading skills to ensure equal access, opportunities and benefits for women, creating spaces and opportunities for women entrepreneurship development, as well as enhancing/expanding social protection measures targeting women in particular.

³⁶XII Five Year Plan Report of the Working Group on Women's Agency and Empowerment, MWCD, GOI, 2012.

³⁷It includes a whole gamut of activities such as packaging, labeling, trade mark, bar coding, brand building, advertisement, domestic & international exhibitions, buyer-seller meet, marketing intelligence, e-marketing and customer service.

³⁸ibid

³⁹Clusters are defined as a sectoral and geographical concentration of enterprises, institutions, service providers, and related regulatory bodies, engaged in the production of homogeneous or inter-related products and faced with common opportunities and threats.

⁴⁰Under the Scheme, assistance is provided to individuals for participation in overseas fairs/exhibitions, overseas study tours, or tours of individuals as member of a trade delegation going abroad.

⁴¹The NMCP includes three schemes for providing marketing support, namely, (i) Marketing Support/Assistance to MSMEs (Bar Code); (ii) Marketing Assistance and Technology Up gradation Scheme for MSMEs; and (iii) Design Clinic Scheme for design expertise to MSMEs Manufacturing sector.

⁴²Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, GOI 2010.

References

1. Report of the Prime Minister's Task Force on Micro, Small and Medium Enterprises, Government of India, 2010
2. Recommendations and the Report of the Working Group on MSME Growth, for the Twelfth Five Year Plan (2012-17)
3. MSME Annual Report, 2011-12
4. Eleventh Five Year Plan, 2007-12, Volume III, Planning Commission, GOI
5. *Global economic crisis, gender and work: key policy challenges and options*, GLOBAL JOBS PACT POLICY BRIEFS Brief Number 15, International Labor Organization, November 2010
6. XII Five Year Plan Report of the Working Group on Women's Agency and Empowerment, MWCD, GOI, 2012.