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Women Entrepreneurship Under Pmegp: A Comprehensive Msme Analysis With Rural-Urban, Gender, And State-Wise Insights

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ABSTRACT

The Prime Minister's Employment Generation Programme (PMEGP) plays a pivotal role in advancing the goals of inclusive entrepreneurship and economic empowerment through the promotion of Micro, Small, and Medium Enterprises (MSMEs) in India. This study provides a comprehensive analysis of MSME development under PMEGP, with a particular focus on women entrepreneurship, using multi-dimensional insights across rural-urban, gender, sectoral, socio-economic, and state-wise distributions. The primary objective of the study is to analyze the category-wise distribution of MSMEs under PMEGP to understand the scale and scope of enterprise formation. It further examines the rural-urban spread of MSMEs, highlighting regional disparities and access gaps. A key dimension of the research is the gender-wise ownership pattern, which evaluates the participation of women entrepreneurs under the scheme. Additionally, the study delves into the sector-wise classification (manufacturing vs. service), explores the socio-economic group representation (SC, ST, OBC, minorities, etc.), and evaluates the state-wise performance to identify leading and lagging regions. Using secondary data sourced from official PMEGP reports and MSME ministry statistics, the study presents visual and statistical interpretations that reveal significant trends. The findings underscore a steady increase in women-led MSMEs, particularly in the rural service sector; however, disparities persist across regions and social groups. The study concludes by offering policy recommendations to strengthen support for women entrepreneurs and enhance the equitable reach of PMEGP across India's diverse socio-economic landscape.

Key words: Women entrepreneurship, PMEGP (Prime Minister's Employment Generation Programme), Micro, Small, and Medium Enterprises (MSMEs), Gender-wise Distribution, Rural-Urban Divide, Socio-Economic Groups, State-wise MSME Performance

JEL Classification: L26, J16, R11, O18, M13

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) serve as a critical engine of inclusive economic growth, employment generation, and social development in India. Recognizing the sector's potential to empower marginalized communities, the Government of India introduced the Prime Minister's Employment Generation Programme (PMEGP) as a flagship credit-linked subsidy initiative to promote self-employment and entrepreneurial ventures, especially among women, rural populations, and economically weaker sections. Over the years, PMEGP has significantly contributed to the creation of new enterprises by facilitating financial support, skill development, and access to formal economic structures. Women entrepreneurship, in particular, has emerged as a key component in achieving equitable growth and gender empowerment. However, the distribution and effectiveness of PMEGP-supported enterprises across different demographic and geographic segments remain uneven. Understanding the gender-wise, rural-urban, sector-wise, socio-economic group-wise and state-wise distribution of MSMEs under PMEGP is essential to evaluating the scheme's inclusivity and impact.

This study seeks to analyze category-wise MSME establishment patterns under PMEGP, with a sharp focus on women-led enterprises. It delves into the dynamics of gender disparity, identifies regional imbalances, and highlights the socio-economic factors influencing entrepreneurial participation. By relying on comprehensive secondary data sourced from the Ministry of MSME, Khadi and Village Industries Commission (KVIC), and related government reports, the article offers empirical insights into the performance and outreach of PMEGP. The findings aim to assist policymakers in identifying gaps and reorienting strategies to boost women's participation in entrepreneurship, enhance the effectiveness of rural outreach, and promote balanced regional development. In doing so, the study contributes to the broader discourse on inclusive entrepreneurship and the sustainable development of the MSME sector in India.

2. REVIEW OF LITERATURE

The role of MSMEs in employment generation and inclusive economic growth has been widely documented in Indian economic research. According to **Awasthi (2020)**, MSMEs contribute significantly to India's GDP and act as a catalyst for entrepreneurial activity, particularly in semi-urban and rural areas. However, disparities in ownership and access persist, especially across gender and socio-economic groups. **Kumar and Sharma (2019)** emphasize the potential of women entrepreneurship in poverty alleviation and economic empowerment but argue that systemic challenges such as access to finance, training, and market linkages restrict women from fully participating in the entrepreneurial ecosystem. Their study calls for more targeted interventions under government schemes like PMEGP to bridge these gaps. The Ministry of MSME (2021), in its PMEGP performance review, reveals that although the number of projects sanctioned for women and SC/ST entrepreneurs has increased, regional and urban-rural disparities continue to affect equitable distribution. States with robust institutional frameworks, such as Maharashtra and Tamil Nadu, show higher success rates, while others lag due to administrative or financial barriers. **Rao & Reddy (2022)** conducted a state-wise analysis of PMEGP implementation and observed that rural units under PMEGP are more likely to be involved in traditional industries, while urban units skew toward service sectors. However, the success rate of women entrepreneurs remains lower than their male counterparts due to social norms and lack of asset ownership. **Singh (2018)** further highlights that empowering women through MSMEs requires not just financial aid, but also, sustained capacity building, mentorship, and gender-sensitive policy design to foster long-term sustainability. This body of literature underscores the need for a comprehensive, disaggregated analysis of PMEGP-supported MSMEs to understand patterns across gender, geography, and social groups, which this study aims to address.

Objectives of the Study:

- ❖ To analyze the category-wise distribution of MSMEs (Micro, Small, and Medium) under PMEGP.
- ❖ To examine the rural-urban distribution of MSMEs
- ❖ To study the gender-wise ownership pattern of MSMEs
- ❖ To assess the sector-wise distribution of MSME
- ❖ To evaluate the socio-economic group-wise distribution
- ❖ To determine the state-wise distribution of MSMEs

Research Methodology

This study adopts a quantitative, descriptive research design, relying entirely on secondary data sources to examine the distribution of MSMEs under the Prime Minister's Employment Generation Programme (PMEGP), with a specific emphasis on women entrepreneurship. The research is based on publicly available datasets and official documents from the Ministry of MSME, Khadi and Village Industries Commission (KVIC), and PMEGP Annual Performance Reports. Data covering parameters such as category-wise, rural-urban, gender-wise, sector-wise, and socio-economic group-wise, and state-wise distribution of PMEGP-supported MSMEs were extracted and analyzed for the period under review.

The study involves comparative analysis across demographic and geographic segments to identify patterns, disparities, and trends in entrepreneurship promotion. Descriptive statistical tools such as percentages, cross-tabulations, and graphical representations (bar charts, pie charts, and state maps) were used to present findings. Where appropriate, trend analysis was employed to assess progress over time. This methodology enables a structured and objective assessment of how PMEGP has contributed to the growth of MSMEs in India, particularly among women and disadvantaged socio-economic groups, and provides valuable insights for policymakers on enhancing the scheme's inclusivity and effectiveness.

DATA ANALYSIS AND INTERPRETATION

Table 1: Estimated Number of MSME (Activity Wise)

Activity Category	Estimated Number of Enterprises (in lakh)					
	Rural	Share (%)	Urban	Share (%)	Total	Share (%)
Manufacturing	114.14	35.13	82.50	26.69	196.65	31
Electricity	0.03	0.0092	0.01	0.003	0.03	0
Trade	108.71	33.46	121.64	39.36	230.35	36
Other Services	102.00	31.39	104.85	33.93	206.85	33
	324.88	100	309.00	100	633.88	100

Source: msme.gov.in

Table 1 presents the estimated number of MSMEs in India based on activity categories across rural and urban regions. A total of 633.88 lakh MSMEs are reported, with slightly more in rural areas (324.88 lakh or 51.25%) compared to urban areas (309.00 lakh or 48.75%), reflecting a fairly balanced rural-urban distribution. Trade-based enterprises account for the largest share overall, with 36% of total MSMEs, and a higher concentration in urban areas (39.36%) than rural (33.46%). The manufacturing sector, vital for employment and industrial growth, comprises 31% of total MSMEs, with a significantly higher share in rural areas (35.13%) than in urban (26.69%), indicating the rural sector's key role in grassroots industrialization. Other services represent 33% of the total and are evenly distributed, with a marginal urban preference. The electricity sector, though essential, shows negligible MSME presence (0.03 lakh), contributing almost 0% to the overall share. This distribution suggests that while urban areas dominate trade and services, rural India is emerging as a manufacturing base,

supporting the government's vision of promoting self-reliant and inclusive economic development through MSMEs across diverse regions and sectors.

Table 2: Distribution of Enterprises Category Wise

Sector	Micro	Share (%)	Small	Share (%)	Medium	Share (%)	Total	Total Share (%)
Rural	324.09	51.40	0.78	23.56	0.01	20	324.88	51
Urban	306.43	48.59	2.53	76.43	0.04	80	309.00	49
All	630.52	100	3.31	100	0.05	100	633.88	100

Source: msme.gov.in

Table 2 illustrates the category-wise distribution of MSMEs across rural and urban sectors in India, segmented into Micro, Small, and Medium enterprises. Of the total 633.88 lakh MSMEs, Micro enterprises dominate overwhelmingly, constituting 630.52 lakh or 99.47% of all units. Within the micro segment, rural areas account for 51.40%, while urban areas contribute 48.59%, indicating near parity and widespread micro-enterprise activity across geographies. However, when it comes to Small and Medium enterprises, there is a clear urban concentration. Urban India hosts 76.43% of small enterprises and 80% of medium enterprises, whereas rural areas have only 23.56% and 20%, respectively. This imbalance suggests that while rural areas lead in micro-enterprise development likely due to ease of entry and lower capital requirements urban regions are more favorable for the growth of higher-category enterprises, possibly due to better infrastructure, market access, and financial support. The data underscores the need for targeted policies to upscale rural micro units into small and medium categories, thereby promoting balanced regional development and deeper rural industrialization.

Table 3: Percentage Distribution of Enterprises in rural and urban areas (Male/ Female ownership and category wise)

Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

Source: msme.gov.in

Table 3 highlights the gender-wise ownership distribution of MSMEs across rural and urban areas. Nationally, male-owned enterprises account for 79.63%, while female-owned enterprises constitute only 20.37% of the total MSMEs, indicating a significant gender gap in entrepreneurship. A closer look reveals that rural areas have a slightly higher share of female-owned enterprises (22.24%) compared to urban areas (18.42%), suggesting that government schemes like PMEGP and self-employment programs may be gradually empowering rural women to participate in entrepreneurial activities. However, male ownership remains dominant in both regions, with 81.58% in urban areas and 77.76% in rural areas. This disparity underscores the need for more inclusive policy interventions, especially in urban centers, to address socio-cultural and institutional barriers that hinder women's participation in business. Enhancing financial literacy, access to credit, and entrepreneurship training specifically targeted at women particularly in urban India could help narrow the gender gap and foster a more equitable and diverse entrepreneurial ecosystem.

Table 4: Percentage distribution of enterprises owned by Male/ Female 26 Annual Report 2023-24 entrepreneurs wise

Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100

Source: msme.gov.in

Table 4 presents the gender-wise ownership of MSMEs across the three enterprise categories: Micro, Small, and Medium. The data reveals that female ownership is significantly concentrated in the Micro segment, where women entrepreneurs account for 20.44% of the enterprises. However, this percentage sharply declines in the Small (5.26%) and Medium (2.67%) enterprise categories, indicating that as the scale of business increases, female participation drastically decreases. In contrast, male entrepreneurs dominate all categories, especially in Small (94.74%) and Medium (97.33%) segments. The overall distribution mirrors the national trend, with 79.63% of all enterprises owned by men and only 20.37% by women. This trend suggests that barriers such as limited access to capital, market linkages, mentorship, and institutional support hinder the growth trajectory of women-led enterprises, particularly when transitioning from micro to small or medium levels. The findings underscore the need for targeted policy interventions, credit facilitation, and capacity-building programs to support women entrepreneurs in scaling their businesses beyond the micro level and achieving sustainable growth within the MSME sector.

Table 5: Percentage Distribution of enterprises by social group of owner in rural and urban areas

Sector	SC	ST	OBC	Others	Not known	All
Rural	15.37	6.70	51.59	25.62	0.72	100
Urban	9.45	1.43	47.80	40.46	0.86	100
All	12.45	4.10	49.72	32.95	0.79	100

Source: msme.gov.in

Table 5 provides insights into the social group-wise ownership distribution of MSMEs across rural and urban areas. Nationally, Other Backward Classes (OBCs) own the highest proportion of enterprises at 49.72%, indicating their significant participation in the MSME sector. In rural areas, OBC ownership is even higher at 51.59%, suggesting effective outreach of government schemes like PMEGP and credit facilitation programs toward this group. The Scheduled Caste (SC) and Scheduled Tribe (ST) communities hold 15.37% and 6.70% of rural enterprises respectively, whereas in urban areas, their shares drop to 9.45% (SC) and 1.43% (ST), highlighting regional disparities and possible access barriers in urban markets for these groups. In contrast, 'Others' category, which likely includes forward castes, dominates urban ownership with 40.46%, compared to 25.62% in rural areas, indicating better economic standing and resource access in urban India. The low percentage under "Not known" implies relatively reliable social group data. Overall, the data reveals that while affirmative actions have increased enterprise participation from marginalized groups in rural areas, urban MSME ownership remains skewed towards socially advantaged groups, suggesting a need for greater equity-oriented support mechanisms in urban entrepreneurship ecosystems.

Table 6: Percentage Distribution of Enterprises Social Category Wise

Sector	SC	ST	OBC	Others	Not Known	
Micro	12.48	4.11	49.83	32.79	0.79	100
Small	5.50	1.65	29.64	62.82	0.39	100
Medium	0.00	1.09	23.85	70.80	4.27	100
All	12.45	4.10	49.72	32.95	0.79	100

Source: msme.gov.in

Table 6 presents the social category-wise ownership of MSMEs across the Micro, Small, and Medium enterprise segments. The data reveals that Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBCs) have a stronger presence in the Micro segment, with SCs accounting for 12.48%, STs for 4.11%, and OBCs for a dominant 49.83% of micro enterprises. However, as enterprise size increases, ownership by socially disadvantaged groups declines sharply. In the Small enterprise category, SC ownership drops to 5.50%, and in Medium enterprises, SC representation is completely absent (0.00%). Similarly, OBC ownership declines from 49.83% in micro to 29.64% in small, and further down to 23.85% in medium enterprises. In contrast, the 'Others' category likely comprising socially and economically advantaged groups shows an increasing trend with enterprise size, owning 32.79% of micro, 62.82% of small, and a significant 70.80% of medium enterprises. This clearly indicates a disproportionate social representation in larger enterprises, raising concerns over equitable access to capital, business support, and growth opportunities. The trend highlights the need for policy interventions that support scaling up enterprises owned by SC, ST, and OBC entrepreneurs, promoting inclusive growth within the MSME sector.

Table 7: (Micro Enterprises / Projects: in Numbers)

Year	Women Entrepreneurs under PMEGP	Growth
2018-19	25434	Nil
2019-20	24720	-2.81
2020-21	27285	10.38
2021-22	39,156	43.51
2022-23	32,626	-16.68
2023-24	36,806	12.81
Total	1,86,027	The Compound Annual Growth Rate (CAGR) for Women Entrepreneurs under PMEGP from 2018-19 to 2023-24 is approximately 7.67% per year.

Source: msme.gov.in

Table 7 presents the year-wise distribution and growth of women entrepreneurs under PMEGP from 2018–19 to 2023–24, highlighting both numerical trends and percentage changes. The total number of micro-enterprises established by women under PMEGP during this period is 1,86,027, reflecting the scheme's significant contribution to women-led entrepreneurship. The data shows fluctuating growth patterns, with a notable rise in 2021–22 where the number of projects jumped to 39,156, marking a 43.51% increase the highest in the six-year span, likely due to post-pandemic recovery and enhanced government focus on self-employment. However, in 2022–23, the numbers dropped by 16.68%, possibly indicating challenges such as reduced funding, market uncertainties, or administrative constraints. A modest rebound occurred in 2023–24, with 12.81% growth, taking the count to 36,806 projects. The overall Compound Annual Growth Rate (CAGR) of 7.67% suggests a positive long-term trend, though the annual fluctuations signal the need for sustained policy support, training, and credit access for women entrepreneurs. These findings underscore the potential of PMEGP in empowering women through micro-enterprises, especially if backed by consistent, regionally tailored implementation strategies.

Table 8: State-wise Distribution of Proprietary MSME by Gender of Owners

S. no	State/UTs	Male	Female	All	Share of State among All MSME with Male Owners(%)	Share of State among All MSME with Female Owners (%)
1	West Bengal	5583138	2901324	8484462	11.52	23.42
2	Tamil Nadu	3441489	1285263	4726752	7.10	10.37
3	Telangana	1459622	972424	2432046	3.01	7.85
4	Karnataka	2684469	936905	3621374	5.54	7.56
5	Uttar Pradesh	8010932	862796	8873728	16.53	6.96
6	Andhra Pradesh	2160318	838033	2998351	4.46	6.76
7	Gujarat	2375858	826640	3202499	4.90	6.67
8	Maharashtra	3798339	801197	4599536	7.84	6.47
9	Kerala	1647853	495962	2143816	3.40	4.00
10	Rajasthan	2261127	380007	2641134	4.67	3.07
11	Madhya Pradesh	2275251	370427	2645678	4.70	2.99
12	Jharkhand	1250953	310388	1561341	2.58	2.51
13	Odisha	1567395	295460	1862856	3.24	2.38
14	Punjab	1183871	224185	1408056	2.44	1.81
15	Bihar	3239698	168347	3408044	6.69	1.36
16	Haryana	831645	98309	929953	1.72	0.79
17	Delhi	827234	86742	913977	1.71	0.70
18	Manipur	86383	86604	172987	0.18	0.70
19	Jammu & Kashmir	624056	74785	74785	1.29	0.60
20	Chhattisgarh	727203	71201	798403	1.50	0.57
21	Assam	1128411	66665	1195076	2.33	0.54
22	Himachal Pradesh	329595	50368	379963	0.68	0.41
23	Meghalaya	72191	39462	111653	0.15	0.32
24	Tripura	179169	28042	207212	0.37	0.23
25	Puducherry	65350	27072	92422	0.13	0.22
26	Uttarakhand	380000	20964	400964	0.78	0.17
27	Nagaland	65778	20865	86643	0.14	0.17
28	Mizoram	20439	13698	34137	0.04	0.11
29	Goa	57133	10815	67948	0.12	0.09
30	Arunachal Pradesh	16153	6274	22427	0.03	0.05
31	Chandigarh	44321	5560	49881	0.09	0.04
32	Sikkim	20880	5036	25916	0.04	0.04
33	A & N Islands	14302	4026	18328	0.03	0.03
34	Dadra & Nagar Haveli	12900	2629	15529	0.03	0.02
35	Daman & Diu	5880	1560	7441	0.01	0.01
36	Lakshadweep	1384	488	1872	0.00	0.00
	ALL	48450722	12390523	60841245	100.00	100.00

Source: msme.gov.in

Table 8 presents the state-wise distribution of proprietary MSMEs in India based on the gender of ownership. Out of a total of 60.84 million MSMEs, female-owned enterprises account for 12.39 million (20.37%), indicating a significant gender gap in entrepreneurial ownership. Notably, West Bengal leads in female entrepreneurship, accounting for 23.42% of all female-owned MSMEs in India, followed by Tamil Nadu (10.37%), Telangana (7.85%), and Karnataka (7.56%). These states show relatively strong policy outreach and support structures for women entrepreneurs. Interestingly, Uttar Pradesh, despite having the highest overall number of MSMEs, contributes only 6.96% to female ownership, highlighting gender disparities even in high-enterprise states. In contrast, northeastern states like Manipur and Meghalaya, though smaller in enterprise numbers, show noteworthy gender parity, with near-equal male and female ownership in Manipur. This may be attributed to local cultural factors and targeted rural schemes. Union Territories and smaller states, such as Lakshadweep, Dadra & Nagar Haveli, and Daman & Diu, have minimal contribution to the national total in both male and female categories. The table reflects regional imbalances in gender-inclusive entrepreneurship, underscoring the need for region-specific, women-centric MSME policies and enhanced access to finance, training, and markets to promote balanced and inclusive economic development across India.

Table 9: State-wise Distribution of Share of State among All MSME with Male Owners (%) Rank Bases analysis

S. no	State/UTs	Share of State among All MSME with Male Owners(%)	Rank
1	Uttar Pradesh	16.53	1
2	West Bengal	11.52	2
3	Maharashtra	7.84	3
4	Tamil Nadu	7.1	4
5	Bihar	6.69	5
6	Karnataka	5.54	6
7	Gujarat	4.9	7
8	Madhya Pradesh	4.7	8
9	Rajasthan	4.67	9
10	Andhra Pradesh	4.46	10
11	Telangana	3.01	11
12	Kerala	3.4	12
13	Odisha	3.24	13
14	Jharkhand	2.58	14
15	Punjab	2.44	15
16	Assam	2.33	16

17	Haryana	1.72	17
18	Delhi	1.71	18
19	Chhattisgarh	1.5	19
20	Jammu & Kashmir	1.29	20
21	Uttarakhand	0.78	21
22	Himachal Pradesh	0.68	22
23	Tripura	0.37	23
24	Manipur	0.18	24
25	Meghalaya	0.15	25
26	Nagaland	0.14	26
27	Puducherry	0.13	27
28	Goa	0.12	28
29	Chandigarh	0.09	29
30	Sikkim	0.04	30
31	Mizoram	0.04	30
32	Arunachal Pradesh	0.03	32
33	A & N Islands	0.03	32
34	Dadra & Nagar Haveli	0.03	32
35	Daman & Diu	0.01	35
36	Lakshadweep	0	36

Source: msme.gov.in

Table 9 provides a rank-based analysis of states and union territories according to their share of male-owned MSMEs in India. Uttar Pradesh holds the top rank, contributing 16.53% to the total male-owned MSMEs nationwide, reflecting its large population base and expanding entrepreneurial activities. West Bengal ranks second with 11.52%, indicating a strong male entrepreneurial presence, particularly in trade and micro-level manufacturing. Maharashtra (7.84%), Tamil Nadu (7.10%), and Bihar (6.69%) follow, representing states with significant male-led business ecosystems. Notably, states like Karnataka, Gujarat, and Andhra Pradesh, known for their industrial and IT infrastructure rank within the top 10, showcasing a healthy male participation in MSME growth. On the other end of the spectrum, smaller and northeastern states such as Mizoram, Sikkim,

Arunachal Pradesh, and Lakshadweep have less than 0.05% share, largely due to their limited population size, geographic constraints, and infrastructural limitations. The data indicates that male ownership in MSMEs is highly concentrated in a few large states, while smaller and remote regions contribute minimally. This disparity highlights the need for regionally balanced policy measures that foster entrepreneurship in underrepresented states, encouraging inclusive growth across the MSME ecosystem.

Table 10: State-wise Distribution of Share of State among Share of State among all MSME with Female Owners (%) Rank Based analysis

S. no	District	State/UTs	Share of State among All MSME with Female Owners (%)
1	West Bengal	23.42	1
2	Tamil Nadu	10.37	2
3	Telangana	7.85	3
4	Karnataka	7.56	4
5	Uttar Pradesh	6.96	5
6	Andhra Pradesh	6.76	6
7	Gujarat	6.67	7
8	Maharashtra	6.47	8
9	Kerala	4	9
10	Rajasthan	3.07	10
11	Madhya Pradesh	2.99	11
12	Jharkhand	2.51	12
13	Odisha	2.38	13
14	Punjab	1.81	14
15	Bihar	1.36	15
16	Haryana	0.79	16
17	Delhi	0.7	17
18	Manipur	0.7	17
19	Jammu & Kashmira	0.6	19

20	Chhattisgarh	0.57	20
21	Assam	0.54	21
22	Himachal Pradesh	0.41	22
23	Meghalaya	0.32	23
24	Tripura	0.23	24
25	Puducherry	0.22	25
26	Uttarakhand	0.17	26
27	Nagaland	0.17	26
28	Mizoram	0.11	28
29	Goa	0.09	29
30	Arunachal Pradesh	0.05	30
31	Chandigarh	0.04	31
32	Sikkim	0.04	31
33	A & N Islands	0.03	33
34	Dadra & Nagar Haveli	0.02	34
35	Daman & Diu	0.01	35
36	Lakshadweep	0	36

Source: msme.gov.in

Table 10 provides a rank-based analysis of Indian states and union territories based on their share of female-owned MSMEs, offering insight into regional participation of women in entrepreneurship. West Bengal leads significantly, accounting for 23.42% of all female-owned MSMEs in the country, suggesting a strong presence of women-led micro-enterprises and effective outreach of empowerment schemes. Tamil Nadu (10.37%), Telangana (7.85%), Karnataka (7.56%), and Uttar Pradesh (6.96%) also emerge as leading states, reflecting favorable policy environments, growing industrial bases, and improved access to institutional support for women entrepreneurs. States like Andhra Pradesh, Gujarat, Maharashtra, and Kerala maintain moderate shares (4–7%), indicating consistent but improvable female participation. Meanwhile, larger states such as Bihar (1.36%) and Punjab (1.81%), despite high population density, show relatively lower engagement of women in MSMEs, suggesting the need for stronger inclusion strategies. At the other end of the spectrum, northeastern and smaller states/UTs like Mizoram, Sikkim, Daman & Diu, and Lakshadweep contribute minimally, with Lakshadweep recording zero female ownership, highlighting critical gaps in accessibility and outreach. This

distribution reveals that female entrepreneurship in MSMEs remains uneven across the country, with a heavy concentration in select states. The findings underline the urgent need for region-specific, gender-sensitive policies, enhanced financial access, skill development programs, and targeted promotional campaigns to bridge the gender gap and ensure inclusive growth in the MSME sector.

FINDINGS

1. Activity-Wise Distribution:

- Trade (36%) and services (33%) dominate MSME activities, followed by manufacturing (31%).
- Rural areas lean more toward manufacturing and trade, while urban areas have a higher share of service-based enterprises.

2. Enterprise Category:

- Micro enterprises constitute the vast majority (99.47%) of all MSMEs, with negligible representation from small and medium segments.
- Rural areas account for 51% of total MSMEs, showcasing the scheme's rural outreach.

3. Gender Disparity:

- Female ownership stands at 20.37%, with urban areas showing slightly lower participation than rural areas.
- As enterprise size increases, female participation sharply declines (Micro: 20.44%, Small: 5.26%, Medium: 2.67%).

4. Social Group Analysis:

- OBCs dominate MSME ownership (49.72%), while SC/ST participation is higher in micro enterprises but negligible in medium-sized firms.
- 'Others' category shows increasing dominance as enterprise size increases, revealing socio-economic barriers in business scalability.

5. Trend in Women Entrepreneurs under PMEGP:

- Although the total number reached 1.86 lakh from 2018–19 to 2023–24, growth has fluctuated year to year.
- Highest growth was recorded in 2021–22 (43.51%), but it fell by 16.68% in 2022–23.

6. State-wise Female Ownership:

- West Bengal leads with 23.42% of female-owned MSMEs, followed by Tamil Nadu, Telangana, and Karnataka.
- Some populous states like Bihar and Punjab show poor female ownership figures.
- Northeastern states like Manipur show commendable gender parity in ownership despite small numbers.

SUGGESTIONS

1. Encourage Women-Owned Enterprises Beyond Micro Level:

- Design capacity-building and mentoring programs to help women scale from micro to small and medium enterprises.

2. State-Specific Interventions:

- High-performing states like West Bengal and Tamil Nadu can serve as models for policy frameworks.
- Lagging states like Bihar, Punjab, and many UTs need tailored schemes with stronger outreach, financial inclusion, and awareness.

3. Bridge the Gender Gap:

- Launch awareness campaigns, access to collateral-free credit, simplified registration, and digital training specifically for women entrepreneurs.

4. Address Social Inequities:

- Extend additional support for SC/ST/OBC entrepreneurs to move beyond micro-level ventures, focusing on market access, financial literacy, and incubation centers.

5. Stabilize and Enhance PMEGP Support:

- Given the inconsistent year-on-year growth, it is important to make the PMEGP scheme more robust with predictable funding, better implementation monitoring, and state-wise performance review mechanisms.

6. Promote Digital MSMEs and E-Commerce:

- Encourage women to venture into tech-enabled MSMEs with proper digital tools and marketing support.

CONCLUSION

The study reveals that while the PMEGP scheme has effectively promoted women entrepreneurship, especially at the micro level, major disparities persist in terms of gender, social background, and regional access. The dominance of male and 'Others' category entrepreneurs in larger enterprises reflects the systemic challenges faced by women and marginalized communities in scaling up businesses. States like West Bengal, Tamil Nadu, and Telangana emerge as positive examples, but several others remain underrepresented. The findings stress the need for targeted, inclusive, and region-specific policies that empower women entrepreneurs and marginalized groups to grow beyond subsistence-level businesses. A sustainable MSME ecosystem must focus not only on numbers but also on equity, capacity enhancement, and long-term viability, ensuring that women and underprivileged groups have equal opportunities to participate and thrive in India's entrepreneurial landscape.

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