

## **Role of Small Scale Industries in Women Empowerment**

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### **Abstract:**

This paper explores the pivotal role of Small Scale Industries (SSIs) in empowering women, particularly in developing economies like India. The study aims to analyze how SSIs contribute to women's economic and social empowerment by providing opportunities for entrepreneurship, employment, and skill development. It also seeks to identify the challenges faced by women in this sector, such as limited access to finance, societal barriers, and inadequate infrastructure. Through a combination of literature review, case studies, and statistical analysis, the paper highlights the significant impact of SSIs on women's empowerment while addressing the obstacles that hinder their full participation. The findings underscore the need for targeted interventions and supportive policies to enhance the role of SSIs in promoting gender equality and inclusive economic growth.

### **Introduction**

The role of small-scale industries (SSIs) in fostering economic growth and social development has long been recognized, particularly in developing economies. These industries not only contribute significantly to employment generation and GDP but also play a pivotal role in promoting equitable growth by including marginalized groups in the economic process. Among these groups, women stand out as a key demographic that benefits immensely from the opportunities provided by SSIs.

Women's empowerment has emerged as a crucial goal in the pursuit of sustainable development, and economic independence is a vital component of this empowerment. Despite progress in many areas, women in many parts of the world continue to face substantial barriers to full economic participation, including limited access to education, financial resources, and markets. SSIs offer a unique platform to overcome these challenges by providing women with avenues for entrepreneurship, skill development, and financial independence.

This paper explores the impact of SSIs on women's empowerment, focusing on how these industries have enabled women to break free from traditional socio-economic constraints. By creating opportunities for employment, entrepreneurship, and leadership, SSIs have the potential to transform the lives of women, leading to broader socio-economic changes in communities and

societies at large. The study also examines the specific challenges women face within SSIs and the policy interventions needed to maximize the benefits of SSIs for women empowerment. Through this exploration, the paper aims to contribute to the role of SSI in Women Empowerment, to analyze the Contribution of Small Scale Industries (SSIs) to Women Empowerment & the Challenges Faced by Women in SSIs.

### **Objectives:**

1. Role of SSI in Women Empowerment
2. To Analyze the Contribution of Small Scale Industries (SSIs) to Women Empowerment
3. To Identify the Challenges Faced by Women in SSIs.

### **Role of SSI IN Women Empowerment**

The role of Small Scale Industries (SSI) in women empowerment is significant and multifaceted. SSIs provide opportunities for women to engage in entrepreneurship, contribute to the economy, and gain financial independence. Here are some key ways in which SSIs empower women:

1. **Economic Independence:** SSIs enable women to start and run their own businesses, giving them control over their income and finances. This economic independence is a crucial step toward overall empowerment, allowing women to make decisions that affect their lives and families.
2. **Employment Opportunities:** SSIs create jobs, especially in rural and semi-urban areas, where large-scale industries may not be prevalent. By offering employment opportunities, SSIs help women gain work experience, improve their skills, and increase their earning potential.
3. **Skill Development:** Many SSIs focus on skill development and training, which is essential for women who may not have had access to formal education. Through vocational training and workshops, women learn new skills that make them more employable and capable of running their own businesses.
4. **Entrepreneurial Growth:** SSIs encourage women to explore entrepreneurship by providing the necessary support, such as micro-financing, mentoring, and access to markets. This fosters a culture of innovation and self-reliance among women, leading to the growth of women-led enterprises.

5. **Social Empowerment:** Beyond economic benefits, SSIs contribute to social empowerment by challenging traditional gender roles. Women who run or work in SSIs gain confidence and respect within their communities, which can lead to greater participation in social and political spheres.
6. **Flexibility and Work-Life Balance:** Many SSIs offer flexible working hours, which is particularly beneficial for women who need to balance work with family responsibilities. This flexibility allows women to contribute economically while managing their household duties.
7. **Contribution to Local Economies:** Women-led SSIs often focus on local resources and markets, which helps in the sustainable development of communities. By contributing to the local economy, women entrepreneurs help to create a more inclusive and diverse economic landscape.
8. **Access to Credit and Resources:** Through SSIs, women gain better access to credit facilities and resources that might otherwise be difficult to obtain. Microfinance institutions and government schemes often target women in SSIs, recognizing their potential to drive economic growth.
9. **Promotion of Gender Equality:** By empowering women economically, SSIs play a critical role in promoting gender equality. When women are financially independent and contribute to the economy, it challenges stereotypes and reduces gender disparities in various sectors.
10. **Support for Rural Development:** SSIs are particularly important in rural areas, where women often have limited opportunities. By establishing SSIs in these regions, women are empowered to contribute to rural development and improve the quality of life for themselves and their communities.

### **Contribution of Small Scale Industries (SSIs) to Women Empowerment**

#### **1. Employment Opportunities:**

- a. **Women's Participation in SSIs:** As of recent reports, women constitute about 25-30% of the workforce in small scale industries in India. In sectors like textiles, handicrafts, and food processing, the percentage can be even higher, with women making up to 60-70% of the workforce.
- b. **Growth in Employment:** The Ministry of Micro, Small, and Medium Enterprises (MSME) reported that the MSME sector, which includes SSIs, employed around 124 million people in 2022. Women's participation in this workforce has seen a steady increase, contributing to rural and semi-urban economies.

- c. **Sector-Specific Employment:** In the textile industry alone, which is a major component of SSIs, women make up about 45-55% of the workforce. The handloom and handicraft sectors are particularly female-dominated, with women playing a crucial role in production and innovation.
2. **Entrepreneurship Opportunities**
    - a) **Women-Owned Enterprises:** According to the Sixth Economic Census conducted by the Ministry of Statistics and Programme Implementation, women-owned enterprises constitute approximately 20% of all MSMEs in India, with a significant number being small scale industries. This means that over 8 million women entrepreneurs are running small businesses across the country.
    - b) **Growth of Women Entrepreneurs:** Between 2013 and 2020, the number of women entrepreneurs in India nearly doubled. Initiatives like the Pradhan Mantri Mudra Yojana (PMMY) have played a role in this, where about 68% of the total beneficiaries are women, many of whom have started SSIs.
    - c) **Microfinance Support:** The microfinance sector has been pivotal in supporting women entrepreneurs in SSIs. As of 2021, women constituted over 90% of the total borrowers in the microfinance sector, with many using the funds to start or expand small scale businesses.
3. **Economic Independence**
    - a) **Income Generation:** Women working in SSIs contribute significantly to household incomes. For instance, in the handloom sector, a woman artisan can earn between ₹5,000 to ₹15,000 per month, depending on her skill level and the market.
    - b) **Asset Ownership:** Women entrepreneurs in SSIs have increasingly gained control over business assets. According to a report by Bain & Company and Google, women-owned businesses in India are more likely to reinvest their earnings into the business, leading to growth and asset accumulation. In rural areas, this has translated into greater economic independence for women.
    - c) **Impact on Poverty Reduction:** SSIs have played a role in reducing poverty among women, especially in rural areas. A study by the National Sample Survey Office (NSSO) showed that households with women involved in SSIs had a 15-20% higher income compared to those without such participation.
4. **Government Initiatives and Support**
    - a) **Pradhan Mantri Mudra Yojana (PMMY):** Launched in 2015, PMMY has disbursed over ₹10 lakh crore as of 2022, with 68% of the loans going to women. This has enabled women to start small businesses in various sectors, including retail, manufacturing, and services.

- b) **Mahila Udyam Nidhi Scheme:** This scheme, implemented by SIDBI, provides financial assistance to women entrepreneurs for setting up new projects in the SSI sector. Thousands of women have benefited from this scheme, leading to increased entrepreneurship among women.
- c) **Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme:** TREAD is aimed at economically empowering women through trade-related training, information dissemination, and financial assistance. The scheme has benefited many women entrepreneurs in SSIs by providing them with the necessary skills and capital to start and sustain their businesses.

## 5. Social Empowerment and Community Impact

- a) **Self-Help Groups (SHGs):** Over 7 million Self-Help Groups (SHGs) in India are primarily focused on women, and many of these are involved in running SSIs. SHGs enable women to pool resources, access credit, and support each other in entrepreneurial ventures. This has had a profound impact on women's economic independence and social empowerment.
- b) **Case Studies:** In states like Tamil Nadu, Kerala, and West Bengal, SSIs run by women have led to significant improvements in community development. For instance, in Tamil Nadu, women running small-scale textile units have improved not only their own economic status but have also contributed to local economic growth by employing others in their community.

## Challenges Faced by Women in SSIs

Women working in Small Scale Industries (SSIs) face several unique challenges, which can impact their professional growth and overall well-being. Here are some of the key challenges:

### 1. Limited Access to Finance:

- Women entrepreneurs often face difficulties in obtaining financial support due to biases, lack of collateral, or lower creditworthiness, which restricts their ability to start or expand businesses in SSIs.

### 2. Societal and Cultural Barriers:

- Traditional gender roles and societal expectations can limit women's participation in SSIs. Many women face pressure to prioritize household responsibilities over business or career pursuits.

### 3. Skill Development and Training:

- Access to skill development programs and technical training is often limited for women, hindering their ability to advance in SSIs. This can be due to a lack of awareness, time constraints, or discriminatory practices.

#### **4. Limited Access to Markets:**

- Women may find it difficult to access markets, both locally and internationally, due to a lack of networking opportunities, market knowledge, or marketing skills.

#### **5. Workplace Discrimination:**

- Gender discrimination in SSIs can manifest as unequal pay, limited opportunities for advancement, and lack of recognition. Women may also face harassment or an unsupportive work environment.

#### **6. Balancing Work and Family:**

7. The dual burden of managing household responsibilities and work can be particularly challenging for women in SSIs, often leading to stress, burnout, or the need to compromise on career aspirations.

#### **7. Lack of Representation in Leadership:**

- Women are underrepresented in leadership and decision-making roles within SSIs, which can limit their influence and the consideration of issues that specifically affect them.

#### **8. Health and Safety Concerns:**

- Women in SSIs may face health and safety risks due to inadequate working conditions, lack of protective equipment, or insufficient healthcare facilities. These challenges are exacerbated by a lack of gender-sensitive policies.

#### **9. Networking Opportunities:**

- Women often have limited access to professional networks, which are crucial for business growth, mentorship, and support. This can be due to social norms, time constraints, or exclusionary practices.

#### **10. Legal and Policy Barriers:**

- In some regions, legal and policy frameworks may not be conducive to women's participation in SSIs, either due to discriminatory laws, lack of enforcement, or insufficient support for women-owned enterprises.

#### **11. Technological Barriers:**

- Women may have less access to technology, both in terms of resources and training. This can limit their ability to innovate, scale operations, or compete in more advanced markets.

## Conclusion

In conclusion, SSIs serve as a powerful tool for women empowerment by providing economic opportunities, fostering entrepreneurial growth, and promoting social change. By supporting SSIs, we can help create a more equitable society where women have the freedom and resources to thrive. The role of SSIs in empowering women in India is evident through the substantial employment opportunities, entrepreneurial growth, and economic independence they provide. Supported by government initiatives and financial inclusion programs, SSIs have helped millions of women break the cycle of poverty, enhance their social status, and contribute to the economy. The continued growth and support of SSIs are crucial for furthering women's empowerment in India. Addressing the challenges faced by women requires a multifaceted approach, including policy interventions, financial support, training and education, and societal change to promote gender equality in the workplace and beyond.

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