

# Women Entrepreneurs of Manipur After MSME Act, 2006: An Analysis

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## Abstract

The basic objective of the paper is to find out the growth rate of women entrepreneurs in Manipur after the MSME Act, 2006. Since all the women entrepreneurs of Manipur belong to MSME sector, an attempt is made to examine the status of women entrepreneurs in hill and valley districts of Manipur. The study is descriptive in nature and based on secondary data. The secondary data were collected from the Nucleus Cell, Directorate of Commerce and Industry, Government of India, Manipur. The findings reveal that majority of women entrepreneurs of Manipur are in manufacturing sector and it is same in case of both hill and valley districts. However, the findings also reveal that the number of women enterprises is quite low as compare to the male enterprises in Manipur.

**Keyword:** MSME Sector, Women Entrepreneur, Manipur.

## Introduction

With changes in the world economic order, women entrepreneurship (mainly micro and small in nature) has been considered as a crucial player in the process of economic development. It is widely accepted that women entrepreneurs play a tremendous role in employment and income generation, exploitation of local resources, import and export, especially effective exploitation and utilisation of the skills and potentials of women sections who are considered weakest in our Indian society. It means that in addition to the social and economic contribution, women

entrepreneurship also forms an essential part of human resource development of a society. It is projected that social transformation can be brought only when women starts participating in economic activities. And women's venture into the world of entrepreneurship is the most significant way.

Few also opine that women entrepreneurship is inherent to social transformation and economic development. The studies regarding women entrepreneurship development and economic development in India shows that women entrepreneurship development can become an important ingredient in the process of socio-economic development of the country. Studies conducted by Rajani (2000), Choudhary & Sharma (2000), Das (2006), Rao and Prasad (2007), Yatish Kumar (2008), Balamurugan (2008), Pathak (2010) Chanu & Terangpi (2010), Chanu and Chanu (2013) etc. clearly reveal about this.

For developing countries like India, women entrepreneurship development is of vital necessity to achieve socially balanced economic growth. There is a close relationship between economic development and advancement of women since neglect of women's power is perhaps the most important cause for economic backwardness of our society. The development of women entrepreneurs will generate multi-faceted socio-economic benefit to the country. As an entrepreneur, women are involved in initiating, organising, managing, operating and running their enterprise (Khanka, 2008). They take all kinds of risks and face all kinds of social and economic challenges that come up during their entrepreneurial venture. Finally, they overcome and control every aspect of their business for its overall success. It is rightly pointed

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out that for women managing business is no different from managing families. So, women entrepreneurship, despite being a recent phenomenon, is gaining momentum in India. They are moving ahead from the traditional sector of handloom and handicraft and advancing very fast towards manufacturing, chemicals, pharmaceuticals, construction, technological and other industrial field. However, despite the fact that many women have started their own enterprises and in many they have been able to form the majority of micro and small enterprises, the participation of women in informal sector is quite higher. According to the reports of Government of India (2011) only 13.72% of formal women enterprises are in MSME sector. It is therefore important for our country to identify the types of support measures that may be necessary to promote women's entrepreneurship and facilitate their full contribution to the development process.

The enactment of the MSME Act, 2006 may be considered an important step by Government of India towards the development of MSME in India. The Act had brought a number of packages which are especially for strengthening the promotion, development and enhancing the competitiveness of Micro and Small Enterprises. The Act has provided the first ever legal framework for recognition of the concept of 'enterprise' (comprising both manufacturing and services) and integrating the three tiers of these enterprises, namely, micro, small and medium enterprises. In addition, under the Act, enterprises are categorised into different ways and one such major classification of enterprises is on the basis of gender viz. men and women enterprise. Hence, women enterprise has been separately defined by the Act as an "enterprise (manufacturing or service) 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% as partners/shareholders/Directors of Private Limited Company/Members of Cooperative Society". This separate identification of women enterprises under the Act is a measure that will help in planning policies, development and growth of the women enterprises. Since, the present study is about women entrepreneurs in MSME sector after the enactment of MEME Act 2006, the study, therefore examines the growth rate of women enterprises in Manipur. This will help in indicating whether the growth rate of women entrepreneurs in Manipur is up to the all India level or below the national level. Higher growth rate of women entrepreneurs naturally means women's

economic independence, a better social transformation and effective contribution to economic development.

## Women Entrepreneurs of Manipur

It is commonly known that women entrepreneurs are those women or group of women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise, undertake risk and handle economic uncertainty involved in running a business enterprise. As such women are regarded as entrepreneur only when they participate and engage themselves in running and operating the enterprise, besides setting up of it. In Manipur, it can be said that women have been involved in various kinds of entrepreneurial activities from time immemorial. However, their entry into formal sector is a recent one. Manipuri women have been known for their skill, beauty, hard work, courage, activeness and they move freely from place to place for the purpose of business. As such they do not remain confined within the four walls of their houses or as can be said within the safe zone area, rather they are mobile, free and explored to all kinds of social and economic activities. Women vendors engaged in vegetable, fish and cloth item business are common to Manipuri society. S.K. Bhuyan rightly quotes that "Manipur women have been enjoying a freedom which their sisters in India have failed to attain even up to the present day. Their activities are not confined to the four walls of their domestic life. They go out freely for purpose of petty traders mainly in the scale of the products of their own hands".

Traditionally women have been engaged in handloom and handicraft sector as entrepreneur, but as time passes, women have started venturing in other non-traditional sectors as well. It is a well-known fact that Manipur enjoys a distinct place amongst the handloom and handicraft zones in India. In fact handloom related enterprises are dominated by women folk. Their handloom and handicraft works are unique, innovative and excellent. In addition to handloom and handicraft, food processing is becoming another major area in which women entrepreneurs excel. Today women entrepreneurs of Manipur are not just known for cane and bamboo, or wool and knitting. Time has changed; social outlook is also changing and with it there is change in economic activity. Women entrepreneurs have realised the changing pattern in demand and have discovered the different entrepreneurial areas in which they can start and operate a successful

enterprise which will benefit them and finally benefit the society. This changing pattern of women entrepreneurial venture is reflected by many contemporary studies which have shown that today women entrepreneurs are no longer confined to traditional sector but have move forward and today they are engaged in many kinds of non – traditional sectors too.

## Studies on Women Entrepreneurs of Manipur

“Women Entrepreneurship in Manipur, North-East India” by Robita Sorokhaibam and Nandita Laishram (2011) has clearly discussed about the development of women entrepreneurs in Manipur. The study reveals about the changing occupational pattern of Manipuri women. The study also reveals that highly educated Manipuri women view entrepreneurship as a challenge while uneducated ones view entrepreneurship merely as a mean of earning money. The study concluded that women need pull and push in order to venture ahead as entrepreneurs.

“Women Entrepreneurs in Manipur: A Case Study of Khwairamband Women Market” by Prasain and Dhiren (2006), and “An Overview of Women Entrepreneurs in Manipur” by Robita Sorokhaibam (2006) reveal about the different sectors which women entrepreneurs of Manipur engage. The studies found out that women entrepreneurs of Manipur are engaged mainly in traditional activities like weaving, handloom, handicraft, knitting and embroidery, fruit processing industries. The studies also reveal that women entrepreneurs of Manipur have started venturing into non-traditional activities like beauty parlour, photocopying, incense stick making, candle making, restaurant, etc. The highest income is generated by food processing sector followed by handicraft sector, embroidery and handloom sector (G. P. Prasain & Dr. S. Robita, 2006).

## Objectives of the Study

The present study is intended with the following objectives:

1. To find out the growth rate of women enterprises of Manipur in the MSME sector after MSME Act, 2006.
2. To identify the nature of products produced by women entrepreneurs of MSME sector in Manipur after MSME Act, 2006.

## Working Hypothesis

H1: There is higher growth rate of women enterprises in Valley Districts than Hill Districts of Manipur.

H2: Women entrepreneurs of Manipur prefer manufacturing sector than service sector.

## Research Methodology

The present study is analytical in nature and is based on secondary data. The data of women entrepreneurs were collected from Nucleus Cell, Directorate of Commerce and Industries, Government of Manipur.

## Scope of the Study

The study is about micro and small women entrepreneurs of Manipur. Though there are a number of elements of marketing mix, the study is concentrated only on product.

## Period of the Study

The study covers the women enterprises who have registration between 1991-2013. Thus the period of the study is 1991-2013.

## Tools of Analysis

The collected data are analysed, summarised and interpreted with the help of statistical tools like Chi – Square test, growth rate and simple percentage method and it is used to study the growth rate of women entrepreneurs of Manipur, the nature of products and services offerings by the women entrepreneurs and finally the sector (manufacturing or service) preference of women entrepreneurs of Manipur.

The different types of formulas of the respective statistical tools that are used for interpretation of the data are presented in Table 1.

## Findings and Analysis of the Study

Table 2 reflects the growth rate percent, the nature of products and services offered by the women entrepreneurs of Manipur.

**Table 1: Presentation of Formulas of Statistical Tools Used in the Study**

| Statistical Tools              | Formulas   |
|--------------------------------|--|
| Simple Percentage              | $\frac{\text{Number of Enterprises in one particular product/service}}{\text{Total Enterprises}} \times 100$   |
| Growth Rate                    | $\frac{\text{This Year Enterprise} - \text{Last Year Enterprises}}{\text{Last Year Enterprises}} \times 100$ $= \frac{\text{No. of enterprises in the current year} - \text{No. of Enterprises of previous year}}{\text{No. of Enterprises of previous year}} \times 100$ <p>Annual Growth Rate</p> $= \frac{\frac{\text{no. of enterprises at the end} - \text{no. of enterprises at the beginning}}{\text{no. of enterprises at the beginning}} \times 100}{\text{Number of Years}}$ |
| Chi – Square ( $\chi^2$ ) Test | <ol style="list-style-type: none"> <li>1. <math>\text{Mean} = \frac{\sum X}{N}</math></li> <li>2. <math>\sigma = \frac{\sum x^2}{N}</math></li> <li>3. <math>df = (c - 1)(r - 1)</math>, where df is degrees of freedom, c is number of columns and r is number of rows.</li> <li>4. <math>\chi^2 = \sum [(O - E)^2 / E]</math>, where O is the observed frequency, E is the expected frequency.</li> </ol>  |

**Table 2: Growth Rate and Nature of Products/Services of Women Enterprises of Manipur.**

| Parameters                             | No. of Enterprises | Value of Growth Rate (in decimals) & Percentage |
|--|--------------------|---|
| a) Yearly distribution of Enterprises: |                    |   |
| 2007                                   | 4                  | 4   |
| 2008                                   | 34                 | 7.5   |
| 2009                                   | 32                 | -0.059  |
| 2010                                   | 41                 | 0.281   |
| 2011                                   | 35                 | -0.146  |
| 2012                                   | 39                 | 0.114   |
| 2013                                   | 45                 | 0.154   |
| Total                                  | 270                |   |
| b) Product offered: Bakery             | 3                  | 1.5%  |
| Blacksmith                             | 1                  | 0.5%  |
| Brick making                           | 5                  | 2.5%  |
| Carpentry                              | 2                  | 1.0%  |
| Cattle Rearing                         | 1                  | 0.5%  |
| Personal & Household goods             | 3                  | 1.5%  |
| Decorative items                       | 8                  | 3.9%  |
| Chemical products                      | 1                  | 0.5%  |
| Embroidery                             | 70                 | 34.4%   |
| Fermentation Units                     | 3                  | 1.5%  |
| Food Processing                        | 5                  | 2.5%  |
| Furniture                              | 6                  | 2.9%  |
| Handicraft                             | 3                  | 1.5%  |
| Handloom                               | 13                 | 6.4%  |
| Iron & Steel                           | 1                  | 0.5%  |
| Jewellery Items                        | 8                  | 3.9%  |
| Knitting                               | 6                  | 2.9%  |

| Parameters                          | No. of Enterprises | Value of Growth Rate (in decimals) & Percentage |
|-------------------------------------|--------------------|---|
| Pottery                             | 3                  | 1.5%  |
| Press & Printing                    | 1                  | 0.5%  |
| Readymade Garments                  | 12                 | 5.9%  |
| Shoe Making                         | 1                  | 0.5%  |
| Stone Statue                        | 1                  | 0.5%  |
| Tailoring                           | 15                 | 7.4%  |
| Toy making                          | 2                  | 1.0%  |
| Water Reed items                    | 13                 | 6.4%  |
| Weaving                             | 16                 | 7.9%  |
| Total                               | 203                | 100%  |
| c) Service:Beauty Parlour & Creches | 2                  | 7.4%  |
| Clinic & Pharmacy                   | 1                  | 3.7%  |
| Documentary Films                   | 2                  | 7.4%  |
| DTP & Computer Works                | 1                  | 3.7%  |
| Marketing Consultancy               | 1                  | 3.7%  |
| Nursery of Plants                   | 1                  | 3.7%  |
| Photocopying Centres                | 1                  | 3.7%  |
| Poultry                             | 1                  | 3.7%  |
| Schools, Hospitals & Boarding       | 1                  | 3.7%  |
| Servicing Industry                  | 4                  | 14.9%   |
| Studios                             | 1                  | 3.7%  |
| Tailoring                           | 9                  | 33.3%   |
| Videography                         | 2                  | 7.4%  |
| Total                               | 27                 | 100%  |

Source: Nucleus Cell, Directorate of Commerce and Industries, Government of India, Manipur.

The table reveals that the highest year wise growth rate of women enterprises of Manipur is in the year 2008 with a record of 7.5 growth rate while year 2012 has been recorded with the lowest growth rate of women enterprises of Manipur. There is a negative growth rate in the year 2009 (-0.059) and 2011 (-0.146). The yearly growth rate of women enterprises in Manipur is never static and keeps on fluctuating. However, besides 2012 which shows a tremendous decline in the growth rate, the growth rate of women enterprises in Manipur varies between 0.1 – 0.2; the year 2007-2008 recorded the highest growth rate of the state. It is also found out that the latest record of women enterprises shows an increase in the number of women enterprises.

It is found that majority of the women entrepreneurs of Manipur are involved in embroidery products (34.4%), while weaving (7.9%), tailoring (7.4%), handloom (6.4%) and water reed items (6.4%) occupy other important production activities of women entrepreneurs of the state. 7.4% of women entrepreneurs are found to engage themselves in beauty salons and parlours.

Therefore, from Table 2 it can be inferred that the highest growth rate of women entrepreneurs of Manipur is in the year 2008, and embroidery occupies the largest manufacturing sector.

## Hypothesis Testing

1. To test the first hypothesis whether the growth rate of women entrepreneurs of Manipur is higher in valley districts or in hill districts, a comparative study is made and presented in Table 3.

From Table 3 it can be seen that the annual growth of women enterprise in hill districts of Manipur is higher than the annual growth rate of women entrepreneurs in valley districts. Hence, the null hypothesis is rejected. It can therefore be concluded that the growth rate of women entrepreneurs is higher in hill districts than the valley districts of Manipur despite high concentration of women entrepreneurs in valley districts.

2. To test the second hypothesis that women entrepreneurs of Manipur prefer manufacturing sector than service sector,  $\chi^2$  test is used and the result of the test

**Table 3: A Comparative Table of Growth Rate of Women Enterprises of Manipur**

| Year                    | Valley Districts | Growth Rate (in decimals) | Hill Districts | Growth Rate (in decimals) |
|-------------------------|------------------|---------------------------|----------------|---------------------------|
| 2007                    | 3                | --                        | 1              | --                        |
| 2008                    | 32               | 9.667                     | 2              | 1                         |
| 2009                    | 29               | -0.094                    | 3              | 0.5                       |
| 2010                    | 37               | 0.276                     | 4              | 0.33                      |
| 2011                    | 31               | -0.162                    | 4              | 0                         |
| 2012                    | 33               | 0.064                     | 6              | 0.5                       |
| 2013                    | 22               | -0.333                    | 23             | 2.83                      |
| Total                   | 187              | 12.418                    | 43             | 6.16                      |
| Average Growth Rate (%) | 90.47            |                           | 314.28         |                           |

Source: Nucleus Cell, Directorate of Commerce and Industries, Government of India, Manipur.

is presented in Table 4.

**Table 4: Chi – Square ( $\chi^2$ ) Test Result of the Preference Sector of Women Entrepreneurs of Manipur**

| Statistical Parameters | Manufacturing Sector | Service Sector |
|------------------------|----------------------|----------------|
| Mean                   | 101.5                | 13.5           |
| $\sigma$               | 62.5                 | 9.5            |
| N                      | 230                  | 230            |
| df                     |                      | 1              |
| $\chi^2$               |                      | 0.3043         |

Again, the computed value of  $\chi^2$  for determining the preference of women entrepreneurs towards manufacturing and service sector is 0.3043 with 1 degree of freedom while the table value of  $\chi^2$  at 0.05 level of significance with 1 degree of freedom is 3.84. Since the calculated value of  $\chi^2$  (0.3043) is much lower than the table value (3.84), the null hypothesis is accepted. Hence, it can be concluded that women entrepreneurs of Manipur prefer manufacturing sector more than service sector.

## Conclusion

Women are the most important resource of a nation without which balanced social development cannot be brought. Hence, women as a resource need to be utilised properly and effectively. In addition, women need to explore themselves, the ultimate result of which will be the social transformation. Entrepreneurship is the most significant way in which women can not only explore themselves but also contribute to the development process.

From the present study, it can be seen that there is significant difference between the growth of women entrepreneurship in valley and hills districts of Manipur; women enterprises are more concentrated on valley areas and the majority of them prefer to be engaged in manufacturing of products rather than providing services. In manufacturing sector handloom, weaving, tailoring, etc. occupies the major areas in Manipur. In addition, they have also started venturing into areas like cattle rearing, furniture and fittings, iron and steel, jewellery, press and printing, clinic, pharmacies, computer works, studios, videography, etc. These are the changing trends of women entrepreneurs of Manipur which gives an indication that they are no longer confined to traditional industrial sector rather they are taking up all kinds of entrepreneurial venture.

**Table 5: A Comparative table of Manufacturing and Service Sector of Women Entrepreneurs of Manipur.**

| Parameters       | Manufacturing Sector | Service Sector | Total |
|------------------|----------------------|----------------|-------|
| Valley Districts | 164                  | 23             | 187   |
| Hill Districts   | 39                   | 4              | 43    |
| Total            | 203                  | 27             | 230   |

Source: Nucleus Cell, Directorate of Commerce and Industries, Government of India, Manipur.

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