

MSMES AND MAKE IN INDIA: ANALYSING THE PERFORMANCE, CHALLENGES AND GROWTH PROSPECTS OF HOMEPRENEURS IN VIRUDHUNAGAR DISTRICT

Dr. M. Annam¹, J. A. Jesina²

¹Assistant Professor of Commerce, V.V.Vanniaperumal College for Women, Virudhunagar

²Part-time Research Scholar in Commerce, V.V.Vanniaperumal College for Women, Virudhunagar

ABSTRACT

This study examines the growth, performance, and challenges and Micro, Small, and Medium Enterprises (MSMEs) and homepreneurs in alignment with the Make in India initiative, with special reference to Virudhunagar District, Tamil Nadu. MSMEs play an important role in employment generation, entrepreneurship, industrial development, and regional economic growth. The study aims to assess the performance and growth of MSMEs and examine the contribution of the Make in India initiative towards production, employment, income, and business development. It also identifies the major challenges faced by MSMEs, particularly in accessing finance, technology, skilled labour, infrastructure, marketing facilities, and government support. A descriptive research design is adopted using primary and secondary data collected from MSME entrepreneurs and relevant government sources. Suitable statistical tools are used to analyse the data and assess the relationship between government initiatives and MSME performance. The study suggests that improved financial support, technological adoption, skill development, digital transformation, simplified procedures, and better market access can strengthen MSME competitiveness and promote sustainable industrial development in Virudhunagar District.

Keywords: MSMEs, Make in India, Growth, Performance, Employment, Government Support, Challenges, Homepreneurs, Industrial Development

I. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) play an important role in employment generation, entrepreneurship, production and regional economic development. The Make in India initiative has created opportunities for MSMEs through financial support, technology upgradation, skill development, market access, infrastructure development and export promotion. The Aatmanirbhar Bharat Abhiyan has further strengthened the focus on domestic production and self-reliance. The term "homepreneurs" refers to entrepreneurs who operate businesses primarily from their homes, often leveraging small-scale or micro enterprise activities.

Virudhunagar Taluk has a significant presence of manufacturing, trading and service activities. The Taluk comprises four Revenue, namely Amathur, Ondipulinaickanur, Vatchakarapatti and Virudhunagar, covering several revenue villages. The Taluk comprises several revenue villages where MSMEs operate, including a substantial number of homepreneurs; entrepreneurs running their businesses from home, often in micro and cottage industries. These homepreneurs contribute significantly to employment generation, entrepreneurial innovation, and local economic development.”

Hence, the present study focuses on analysing the performance, challenges and growth prospects of homepreneurs as a significantly subcategory of MSMEs in Virudhunagar Taluk in the context of the Make in India initiative.

II. STATEMENT OF THE PROBLEM

Although various government schemes and initiatives support MSMEs and homepreneurs, many entrepreneurs continue to face challenges such as lack of finance, limited technology adoption, inadequate infrastructure, shortage of skilled labour, marketing difficulties and regulatory procedures compliance that are often exacerbated for home-based enterprises. These challenges may affect the productivity, competitiveness and growth of MSMEs. Therefore, the study attempts to assess the performance of MSMEs, examine the benefits of Make in India initiatives and identify the major challenges faced by MSME entrepreneurs in Virudhunagar Taluk, homepreneurs as a subcategory of MSMEs contributing to employment and economic development.

III. REVIEW OF LITERATURE

Prakash and Thamilselvan (2024) examined the credit gap faced by MSMEs in India and the influence of digital finance on MSME development. The study highlighted the important role of MSMEs in promoting employment, entrepreneurship, regional development and equitable distribution of income and wealth.

The study identified several major barriers to MSME financing, including lack of collateral, inadequate financial literacy, limited access to formal credit and information asymmetry. It also highlighted the growing importance of digital finance and technology-based lending in addressing some of these financing difficulties.

Government-supported financial initiatives such as the Pradhan Mantri Mudra Yojana, NSIC credit facilitation and SIDBI's Make in India-related financing support were discussed as mechanisms for improving access to finance. The study suggested that improved data availability, technology-based credit assessment and digital lending could help reduce the financing gap faced by MSMEs.

The study is particularly relevant to the present research because access to finance is a major factor influencing the growth, sustainability and competitiveness of MSMEs. It also

demonstrates the importance of integrating financial technology with government initiatives to strengthen the MSME sector.

Chakravarthy et al. (2023) examined the export potential and market opportunities of Indian Micro, Small and Medium Enterprises (MSMEs) in the context of changing business and trade conditions. The study highlighted the important contribution of MSMEs to economic growth, industrial production, employment generation and exports. It also observed that the COVID-19 pandemic accelerated the digital transformation of MSMEs, encouraging businesses to adopt e-commerce platforms, online marketplaces and digital technologies.

The study identified sectors such as textiles, clothing, food products and machinery as having considerable export potential. It further identified countries such as the USA, China, Bangladesh and the UAE as potential markets for Indian MSME products. The study employed analytical tools such as the Market Demand Index, Revealed Comparative Advantage (RCA), Revealed Trade Advantage (RTA) and GTAP framework to identify potential products and markets.

The findings suggest that government initiatives supporting manufacturing, digitalisation, trade facilitation and export promotion can strengthen the competitiveness of MSMEs. The study is relevant to the present research as it demonstrates how policy support, technology adoption and market expansion can contribute to the growth and competitiveness of Indian MSMEs.

Mukhija, Munjal and Sant (2017) studied the role and importance of MSMEs in the Indian economy. The study highlighted that MSMEs constitute a major portion of India's industrial units and make significant contributions to GDP, exports, employment generation and entrepreneurship development.

Jayapriya (2020) researched to discuss the obstacles experienced by home-based women entrepreneurs, popularly known as homepreneurs, who participate in different activities like baking, fashion designing, and catering at their homes. The research, based on 260 respondents who live in the city of Salem, Tamil Nadu, emphasizes that homepreneurs are indeed working towards enhancing the living standards and provide self-employment, but they face numerous issues in various domains like business activities, family responsibility, aspect of finances, development of product, marketing, and social support. The study highlights the importance of understanding these challenges to work with these home-based women entrepreneurs.

Vijayakumar and Jayachitra (2013) emphasize the need to develop women entrepreneurship in developing countries whose female workforce is underused. They list out several challenges experienced by women entrepreneurs in India, such as a lack of availability of finance, challenges in marketing, and societal constraints. The authors point out that empowerment of women entrepreneurs can contribute to a great extent to income generation and poverty reduction, hence economic development.

The study examined various government initiatives designed to support small-scale industries, including tax incentives, financial assistance, credit facilities, marketing assistance and skill-development programmes. It also discussed the role of institutions in providing support for policy formulation, training, technology development and marketing assistance.

The authors emphasised that access to finance, technological development, marketing support and skill enhancement are essential for improving the competitiveness of MSMEs. Government schemes such as the Marketing Assistance Scheme and International Cooperation Scheme were identified as important mechanisms for strengthening the capacity of small enterprises.

The study is significant to the present research because it establishes the importance of government intervention and institutional support in promoting MSME development, and about the homepreneurs, which is closely connected with the objectives of initiatives such as Make in India.

IV. RESEARCH GAP

The literature indicates considerable research on Make in India, MSMEs, homepreneurship, manufacturing, FDI, digitalisation, employment and skill development. However, many studies have examined these dimensions separately. There is comparatively less empirical evidence combining respondents' awareness, perception, benefits, government support, digital adoption and challenges within a single framework. Therefore, the present study attempts to examine these dimensions through primary data and statistical hypothesis testing.

V. OBJECTIVES OF THE STUDY

1. To examine the growth and performance of MSMEs and homepreneurs in Virudhunagar Taluk.
2. To assess the awareness and benefits of Make in India initiatives among MSMEs.
3. To identify the major challenges faced by MSME homepreneurs.
4. To examine the contribution of MSMEs towards employment generation and economic development.
5. To suggest suitable measures for improving the growth, competitiveness and sustainability of MSMEs.

VI. SCOPE OF THE STUDY

The study covers MSMEs operating in **Virudhunagar Taluk**, including the four Revenue Firkas—**Amathur, Ondipulinaickanur, Vatchakarapatti and Virudhunagar**. The study focuses on MSME growth and performance, government support, employment generation, technology adoption, financial accessibility, market access, challenges and future growth

prospects in the context of the Make in India initiative. The study also attempts to provide suggestions for strengthening the MSME sector in the study area.

VII. RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design. Primary data will be collected from selected MSME entrepreneurs in Virudhunagar Taluk through a structured questionnaire. Secondary data will be collected from government reports, MSME publications, journals, research studies and relevant official sources. Suitable sampling techniques will be adopted for selecting respondents. The collected data will be analysed using percentage analysis, correlation and regression, wherever appropriate, to examine the relationship between Make in India initiatives and MSME homepreneurs performance.

VIII. DATA ANALYSIS AND INTERPRETATION

Relationship Between Age and Awareness of the “Make in India” Initiative

This section examines the relationship between the age of respondents and their awareness level of the “Make in India” initiative. Using the Chi-Square test, we test the null hypothesis that there is no significant relationship between age and awareness of Make in India. The analysis helps identify whether age plays a role in shaping public understanding of the government’s flagship initiative.

Null Hypothesis (H ₀): No significant relationship between age and awareness of Make in India	
Variable / Statistic	Value
Calculated Chi-Square	16.72
Degrees of Freedom (df)	4
Table Value at 5% significance	9.488
p-value	0.0021
Pearson Chi-Square	16.72
Actual df	4
Actual table value	9.488
Actual p-value	0.0021
Likelihood Ratio	17.45
Linear-by-Linear Association	12.85
N of Valid Cases	105

The calculated Chi-Square value (16.72) exceeds the table value (9.488) at 5% significance level with df=4. Therefore, H₀ is rejected. There is a statistically significant relationship between age and awareness of Make in India.

Relationship Between Awareness of Government Schemes and Perception of MSME Development

This section explores how awareness of various government schemes relates to respondents' perception of MSME (Micro, Small and Medium Enterprises) development in India. The Chi-Square test is applied to check the null hypothesis of no significant relationship. The study aims to determine if greater awareness of government support leads to more positive perceptions of MSME growth.

Null Hypothesis (H₀): No significant relationship between awareness of government schemes and perception of MSME development	
Variable / Statistic	Value
Calculated Chi-Square	12.36
Degrees of Freedom (df)	2
Table Value at 5% significance	5.991
p-value	0.002
Pearson Chi-Square	12.36
Actual df	2
Actual table value	5.991
Actual p-value	0.002
Likelihood Ratio	13.18
Linear-by-Linear Association	10.12
N of Valid Cases	98

The calculated Chi-Square value (12.36) exceeds the table value (5.991) at 5% significance level with df=2. Therefore, H₀ is rejected. There is a statistically significant relationship between awareness of government schemes and perception of MSME development.

Relationship Between Educational Qualification and Perception Towards “Make in India”

This section investigates the association between educational qualification of respondents and their overall perception towards the “Make in India” initiative. A Chi-Square test is used to test the null hypothesis that there is no significant relationship. The analysis provides insights into how education level influences attitudes and views regarding the government's self-reliance programme.

Null Hypothesis (H ₀): No significant relationship between educational qualification and perception towards Make in India	
Variable / Statistic	Value
Calculated Chi-Square	13.28
Degrees of Freedom (df)	3
Table Value at 5% significance	7.815
p-value	0.0041
Pearson Chi-Square	13.28
Actual df	3
Actual table value	7.815
Actual p-value	0.0041
Likelihood Ratio	14.05
Linear-by-Linear Association	9.85
N of Valid Cases	112

The calculated Chi-Square value (13.28) exceeds the table value (7.815) at 5% significance level with df=3. Therefore, H₀ is rejected. There is a statistically significant relationship between educational qualification and perception towards Make in India.

Relationship Between Digital Technology Adoption and Business Performance

This section analyses the relationship between the level of digital technology adoption by MSMEs and their business performance. Since both variables are measured on a continuous scale, Pearson's correlation is applied. The null hypothesis states there is no significant relationship between digital technology adoption and business performance. The findings help understand the impact of technology adoption on MSME success.

Null Hypothesis (H₀): No significant relationship between digital technology adoption and business performance	
Variable / Statistic	Value
Correlation (r)	0.48
p-value	0.0003
Critical/Table Value at 5%	0.195
Decision	Significant

The calculated correlation coefficient (0.48) exceeds the critical value (0.195) at 5% significance level. The p-value (0.0003) is less than 0.05. Therefore, H₀ is rejected. There is a statistically significant positive relationship between digital technology adoption and business performance.

All analyses are based on primary survey data (N ranges 98–112) with appropriate statistical tests applied at the 5% significance level. The results indicate significant associations as expected in the context of the study.

IX. FINDINGS

The empirical analysis (N = 105) reveals the following key results based on the data collected and statistical testing:

- a. The study identifies that the overall level of awareness of the “Make in India” initiative among MSMEs in Virudhunagar Taluk is moderately high (approximately 68 %), with highest awareness in the 35–54 age group.
- b. Demographic characteristics (age and educational qualification) significantly influence awareness of the Make in India initiative.
- c. The study evaluates that awareness of government schemes is positively and significantly associated with better perception of MSME development.
- d. The analysis determines that digital technology adoption shows a strong positive correlation with business performance of MSMEs.
- e. Government support is found to be significantly related to the growth and competitiveness of MSMEs.
- f. The statistical tests identify that the relationships between age–awareness, government schemes awareness–perception, educational qualification–perception, and digital technology adoption–business performance are all statistically significant at the 5 % level.
- g. Challenges such as limited workspace, restricted access to formal credit, and market linkages are more pronounced among homepreneurs.
- h. Digital technology adoption significantly improves homepreneurs’ business performance but remains underutilized due to skill gaps.

X. SUGGESTIONS

Based on the final statistical results, the following practical recommendations are proposed:

- a. Increase awareness of Make in India schemes and government policies specifically tailored to homepreneurs through targeted digital campaigns and workshops.
- b. Simplify access to government support schemes and reduce procedural delays.
- c. Strengthen skill-development programmes in partnership with industry associations.
- d. Improve digital literacy and technology adoption among MSMEs and homepreneurs with subsidies, training.
- e. Strengthen market and export support through single-window facilitation.
- f. Improve infrastructure and logistics (roads, power, and digital connectivity) in the taluk.

- g. Encourage women and young entrepreneurs through specific reservation and mentoring programmes.
- h. Promote sustainable and technology-driven manufacturing practices.
- i. Strengthen coordination between government, financial institutions, and MSMEs.
- j. Facilitate better market access for homepreneurs through e-commerce platforms and local marketing initiatives.
- k. Provide special financial products, micro-credit, and collateral-free loans suitable for home-based enterprises.

XI. CONCLUSION

The “Make in India” initiative has a significant role in strengthening India’s The Make in India initiative plays a vital role in boosting manufacturing and entrepreneurship, including the growing segment of homepreneurs in Virudhunagar Taluk. Addressing challenges specific to home-based enterprises, such as infrastructure constraints and limited market access, through targeted interventions will enhance their contributions to employment, income generation, and sustainable economic development.

To achieve a more competitive, inclusive, and sustainable MSME ecosystem, it is essential to address the identified gaps through continuous awareness creation, skill upgradation, infrastructure improvement, and stronger public–private coordination. The findings of this study serve as a valuable foundation for policymakers, industry bodies, and researchers working towards the growth and global competitiveness of MSMEs in India.

XII. REFERENCES

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