



Research Paper

New Dimension's of MSMEs Sector in Indian Economy: an Analysis

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Abstract

The Micro, Small and Medium Enterprises Act, 2006 has been regarded as landmark legislation in the history of MSMEs sector which has provided for classification of enterprises on the basis of economic activities undertaken by and investment ceiling. This classification has helped the enterprises to be target specific in their particular category for the attainment of their respective goals for overall economic growth. On 12th May, 2020 Prime Minister coined the concept of self reliance India as Atamnirbhar Bharat Abhiyan. Here a new definition was announced for the sector that includes higher target expectations with higher investment and turnover ceiling. It is worth to mention here that MSMEs sector has made tremendous expansion on different sphere. In this study we are trying to enlist and analyze these new dimensions of the sector.

Keywords: *new criterion, dimensions, turnover, job opportunities, social classification,*

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The Ministry of Micro, Small and Medium Enterprises has revised the definitions of MSMEs w. e. f. 1st July 2020. Thereafter a composite criterion has been derived, as a major landmark to acknowledge the ever increasing size and pattern revision demand of the Micro, Small and Medium Enterprises sector. The new criterion has shown manifold upward revision in investment ceiling and along with annual turnover in the MSMEs. It is said that the sector has attained central role in ensuing growth needs of a vibrant and emerging economy of the world. The Sector has been taken as to be the engine of all round growth, contributed about 37.55 per cent to country's GDP and generated about 805.24 Lakh employment opportunities during 2012-13. The MSMEs sector has also been remained the bone of contention due to its ever expanding arms across the economic sectors (primary, secondary and tertiary sectors) cost effective export led production, technology driven production suitable to global market standards and established a more over eco friendly regime. Thus in the present scenario when the world economic scene was reeling under acute economic distress and slow down at all fronts caused by COVID-19 pandemic, the sector has been viewed as a ray of hope for economic policy planner and political cum economic leadership of the country. Although Indian economy has experienced very low intensity of pandemic bad as compared to global economic setup but simultaneously Indian economy has been characterized with solo-dimensional growth where the gains of the growth have been pocketed by fewer and other have become worse despite appreciable growth. Such trends further fueled inequality and poverty in the country. Hence MSMEs sector has been entrusted to have a big role in the new era as it is crystal clear in Self Reliant Mission popularly called "Atmanirbhar Bharat Abhiyan".

The enactment of Micro, Small and Medium Enterprises Act, 2006 has been regarded as landmark legislation in the history of MSMEs sector which has made provisions for classification of enterprises on the basis of economic activities undertaken by and investment ceiling. This classification has helped the enterprises to be target specific in their particular category for the attainment of their respective goals for overall economic growth. On 12th May, 2020 Prime Minister coined the concept of self reliance India as Atamnirbhar Bharat Abhiyan. It seems that in this format of self reliance, sector-wise appraisal has been done with utmost care and thereof future course of action has been decided accordingly. The vision document has mentioned five major pillars to sustain upon as, economy, infrastructure, systems, demography and demand. In this regard it has been resolved and admitted factor that economic pillar needs a big blow (push) to make a break-through from the miniscule inner cycle of petty investments in phased manner which has failed to produce chain effects in the

economy at macro level. Infrastructure has been regarded as the back bone of all the developmental models which are equally lagging behind and needs a modernization and mechanization to produce warranted results. Therefore, system needed to be upgraded with advance and sophisticated technology driven. This would lead to make macro aspects to take the economy to new high. Demographic dividend or untapped human potential is to be harnessed by providing them opportunities and relevant skills at mass level to utilize their optimum potential. This would also expose our hidden talent to the world and domestic markets. Moreover, it is believed that there is no dearth of talent and potential but we are lacking the mechanism, motivation and market (MMM). The strength of all pillars of Self Reliance Abhiyan rest on the market, despite heading in demographic dividend and its outcomes we need advancement in the market where market forces (demand and supply) must be provided with adequate space for free play.

I. Objectives:

This piece of research work has been carried out with the following objectives to make it relevant and thought provoking for future planner and researchers. In order to justify the title of the research work a minute and intelligent analyses is to be conducted into the established facts to ascertain needs and rationale for new criterion of the MSMEs and enlisting of new dimensions of the sector.

II. Literature Review

The Ministry of Micro, Small and Medium Enterprises of Government of India has been entrusted to be the first agency of framing and successful enactment of plans, policies, projects and schemes for the promotion and growth of MSMEs sector(Kumar,2017).

The meeting of 193 representatives across world participated for fixing the Sustainable Development Goal in 2015 enlisted 17 goals to the world with a time bound manner to be attained by 2030. Consequent up on the Brundtland Report, defined sustainable development.

One of the distinct feature that makes the MSMEs sector a unique, unlike other industries is that they voluntarily investing in environmental concerns, showing extra enthusiasm for sustenance especially when a private sector is play on front foot.(Masurel,2007:191)

III. Methodology

Secondary in formations have been used from published books, magazine and reports and on-line mode and analyzed in accordance with the objectives of the script. Although simple averages and percentages have been worked out to draw concrete conclusion which would definitely serve the purpose of work.

In the light of study objectives as MSMEs sector has been entrusted to ensure more economic harmony through its expansion towards the last deprived man of economic and social class. The major concern about ownership of MSMEs has been analyzed. It revealed that male entrepreneur dominated the scene as usual happened in the society but female proprietary has also shown good emergence.

The proprietary as a whole, male owned about 79.60 per cent and 20.40 per cent owned by female. More over no deviation has been observed in the trends in rural –urban base. Even rural women have shown some headway.

Owner Ship Pattern of MSMEs in India

(Figure in Percentage).

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

The ownership trends have witnessed that slow and gradual appearance of female entrepreneur means a lot because resources entitlement of women had been remained in question for centuries for social, economic and opportunity concerns. On other hand ownership of micro enterprises has been dominated by female as compare to small and medium. This implies to their increasing participation at grass root level in all kind of activities. Medium enterprises have been mostly owned by male which involves a bulky investment and a bit sophisticated technology over micro MSMEs.

A serious observation has been recorded that ownership pattern of male and female has been inverse in respect of micro, small and medium enterprises, as women are moving ahead in ascending order while other in descending order.

Another new dimension of MSMEs sector is the category wise ownership which is taken as a great labeler for removal of economic disparity among deprived social classes i.e. scheduled cast, scheduled tribe, other backward classes. Unfortunately, Indian society had been branded as one of the most discriminatory one, on cast and creed and economic basis. But now MSMEs sector has been entrusted to cater all section and to lead

towards social harmony through economic harmony. According to Annual Report 2018-19 socially backward groups have command over 66.27 per cent MSMEs, out of that Other Backward Class has owned about 49.72 per cent while SC and ST groups have owned less MSMEs comparatively. Especially in rural areas OBC class among other backward classes has controlled the majority enterprises i.e. about 51.59 per cent and 47.80 per cent in urban areas. It may be concluded that OBC class has been doing better on economic front over other backward classes irrespective of areas.

Ownership Distribution of MSMEs among Social Backward Classes

(figure in percentage).

Area	Social Classification			
	Schedule Cast	Schedule Tribe	OBC	Others
Rural	15.37	6.70	51.59	26.34
Urban	9.45	1.43	47.80	40.32
All India	12.45	4.10	49.72	33.73

*others category also includes other unclassified.

Another feather that adds to the cap of MSMEs sector is its employment generation potential and it's harnessing. All the MSMEs are equally contributing in providing job opportunities irrespective of areas to mitigate the National targets. The NSSO's 73rd round shattered the clouds and reported that sectors has generated 11.10 crore job during 2015-16. Manufacturing sector in rural & urban areas have provided about 360.41 Lakh jobs while trade sector provided about 387.18 Lakh jobs respectively, combined to about 13rd of the total. Other new entrants are also striving on the same line i.e. electricity sector.

Sector	Job Opportunities generated in (Lakh)					
	Rural	% of Total	Urban	% of Total	Total	Percentage share
Manufacturing	186.56	51.76	173.86	48.23	360.41	32
Trade	160.64	41.49	226.54	58.54	387.18	35
Other services	150.53	41.55	211.69	58.45	362.22	33
Electricity	0.06	0	0.02	0	0.07	0
Over All	497.78	44.85	612.10	55.15	1109.89	100

No doubt urban sector has generated over all more jobs than to rural sector. It can be concluded that urban areas owing to existing better infrastructure failed to make any head way in manufacturing as compare to rural areas. It is inevitable to mention here that rural areas are about to emerge as manufacturing hubs with low pollution and least environmental and production cost. More over Industrialization in India had been blamed to be area or zone specific fundamental characteristic.

In concluding remarks it is mandatory to mention here that MSMEs sector has added numerous new dimension and about to penned a new script of endogenous (country based industrialization). Most of MSMEs have taken up the challenges to introduce new products with endogenous mode of production and optimum use of available resources. The sector has the potential to produce variety of world class product to fetch global market. It is witnessed by the ever increasing exports of the sector which reciprocate to facilitate imports needs. That's why MSMEs sector has got special mention in Atmanirbhar Bharat Abhiyan to cater all sector and section with plenty of packages.

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