

MSME: A NEW DIMENSION FOR EMPLOYABILITY IN 21st CENTURY

Abstract

India is known as a land of rural and semi urban area. More than 80% of total population lives in rural and semi urban area. Though India put her step in development path since 1991 (after introduction of LPG) but till now India is unable to put her foot print in path of developed nation. Since last decade, its economic development is a remarkable position within the world but till now India is facing a crucial problem like unemployment, and this problem create obstacle for India to become a developed country. In present situation the Micro, Small and Medium (MSMEs) act as a vital role to solve problem like unemployment. Here the researchers try to focus on the role of MSME towards generating employability in present scenario and also try to focus on two aspects like generating new entrepreneur as well as creating employment scope for semiskilled and non skilled people.

Keywords: MSME, Employment, Problems, Prospects

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I. INTRODUCTION

In present situation MSME sector act as a vital player in Indian economy not only to create the industrialization process but also it create a positive atmosphere for generating vibrant , innovative entrepreneur as well as construct a developed path for job creation mechanism within the nation. If we see in a general sense The MSME producing a wide variety of goods and services to meet the consumer demand with the scope of 8 million peoples employment. MSME contribute near about 30% over all GDP to the whole economy. In present scenario MSME provide different scopeto unemployed youth in different angle to become not only an entrepreneur but also job provider for others. The different scopes are Financial support , up gradation of technology ,up to date quality assurance facility etc. it also create different skill based training scope for unemployed youth like product development , product designing, packing, market fore casting through differentexpert agency.

1. **MSME Schemes in Present Scenario:** Atamnirbhar Bharat is attractive scheme lunched by MSME to motivate educated young dynamicpeople to continue their creative business plans. Apart from this scheme Govt of India also lunch different plans like Market Promotion and Development Scheme (MPDA) Coir Vikas Yojana (CVY), Trade and Industry Related Fundamental Support Service (TRIFSS), Expert Market Promotion (EMP), Domestic Market Promotion (DMP) Credit Guarantee scheme (CGS) etc.

II. REVIEW OF LITERATURES

1. **C.B. Bhawe (2010):** Here the researcher clearly opined that MSMEs plays a vital role in most of the nation's economy and consist of a major part of industrial process. In present situation MSMEs are facing crucial problems financial deficit. As per the findings of researcher SME stock exchange will appear as a boon for MSME as it facilitate the scope of pool capital and improvement of credibilitystatus.
2. **SME.Chamber of India (2011):** Small and Medium size enterprises are now creating the atmosphere of much more scope than ever growth and modernization across the industry. In present scenario Indian markets are expand rapidly and entrepreneurs of India are making a remarkable improvement in different sectors.
3. **Vijay Kumar (2011):** Here the researcher focused on issues relating to MSME sector like Lack of awareness, lack of opportunities for investment and recourse, lack of waste management capacity,lack of improvement in product design
4. **Willam.Stoever (2002):** Here the researcher focused that India has always focused on foreign investment policies with the prime motive of being self contained. India has always choose to import onlythose products that not accessible in local market.

III. OBJECTIVES

1. To show the actual existence status of MSME in India
2. Explore the role of MSME towards employability mechanism.
3. To explore the actual reason behind unsuccessful entrepreneurs in MSME units.
4. **Research methodology:** This study is purely based on secondary data and that are collected from government report,newspaper, magazine, MSME department report, and

other related published report. Here the data are put into the tabular form for clarity in interpretation.

IV. CLASSIFICATION OF MSME IN INDIA

Table 1

S.L NO	Type of Enterprise	Investment	Turnover
1	Micro Enterprise	Not more than Rs 1 crore	Not more than Rs 5 crore
2	Small Enterprises	Not more than Rs .10 Crore	Not more than Rs 50 crore
3	Medium Enterprise	Not more than Rs. 50 crore	Not more than Rs 250 crore

1. Estimated number of MSMEs State Wise Distribution

Table 2 (In lakhs)

S.L No	State/UT	Micro	Small	Medium	Total MSME
1	Andhra-Pradesh	33.74	0.13	0.00	33.87
2	Arunachal- Pradesh	0.22	0.00	0.00	0.23
3	Assam	12.10	0.04	0.00	12.14
4	Bihar	34.41	0.04	0.00	34.46
5	Chhattisgarh(C.G)	8.45	0.03	0.00	8.48
6	Delhi (UT)	9.25	0.11	0.00	9.36
7	Goa (UT)	0.70	0.00	0.00	0.70
8	Gujarat	32.67	0.50	0.00	33.16
9	Haryana	9.53	0.17	0.00	9.70
10	Himachal Pradesh	3.86	0.06	0.00	3.92
11	Jammu Kashmir	7.06	0.03	0.00	7.09
12	Jharkhand	15.78	0.10	0.00	15.88
13	Karnataka	38.25	0.09	0.00	38.34
14	Kerala	23.58	0.21	0.00	23.79
15	Madhya Pradesh	26.42	0.31	0.01	26.74
16	Maharashtra	47.60	0.17	0.00	47.78
17	Manipur	1.80	0.00	0.00	1.80
18	Meghalaya	1.12	0.00	0.00	1.12
19	Mizoram	0.35	0.00	0.00	0.35
20	Nagaland	0.91	0.00	0.00	0.91
21	Orissa	19.80	0.04	0.00	19.84
22	Punjab	14.56	0.09	0.00	14.65
23	Rajasthan	26.66	0.20	0.01	26.87
24	Sikkim	0.26	0.00	0.00	0.26
25	Tamilnadu	49.27	0.21	0.00	49.48
26	Telangana	25.94	0.10	0.01	26.05
27	Tripura	2.10	0.01	0.00	2.11

28	Uttar Pradesh	89.64	0.36	0.00	89.99
29	Uttarakhand	4.14	0.02	0.00	4.17
30	West Bengal(W.B)	88.41	0.26	0.01	88.67
31	A & N Island (UT)	0.19	0.00	0.00	0.19
32	Chandigarh (UT)	0.56	0.00	0.00	0.56
33	Dadra Nagar Haveli (UT)	0.15	0.01	0.00	0.16
34	Daman & Diu (UT)	0.08	0.00	0.00	0.00
35	Lakshadweep(UT)	0.02	0.00	0.00	0.02
36	Pondicherry	0.96	0.00	0.00	0.96
All		630.52	3.31	0.05	633.88

Source: All India MSME annual report 2022-2023

Interpretation: This table gives the clear picture of MSME unit in different states of India with categorically on its size basis. Here it is clear that India is based on micro scale MSME unit. But small scale is very less as well as existence of medium scale MSME unit is very negligible even if 75 years of independence.

2. Number of MSMEs (Activity Wise)

Table 3 (in Lakhs)

Activity Sector	Rural	Urban	Total
Manufacturing (Production)	114.14	82.50	196.65
Electricity	0.03	0.01	0.04
Trade	108.71	121.64	230.35
Other Services	102.00	104.85	206.85
All	324.88	309.00	633.88

Source: All India MSME Annual- report 2022-2023

3. Distribution of MSME Sector Wise

Table 4

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

Source: All India MSME Annual- report 2022-2023

4. Distribution of MSMEs Ownership Wise

Table 5

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

Source: All India MSME Annual report 2022-2023

5. Distribution of MSMEs Ownership Wise (Gender Basic)

Table 6

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: All India MSME Annual- report 2022-2023

6. Distribution of MSMEs Ownership Wise (Male & Female)

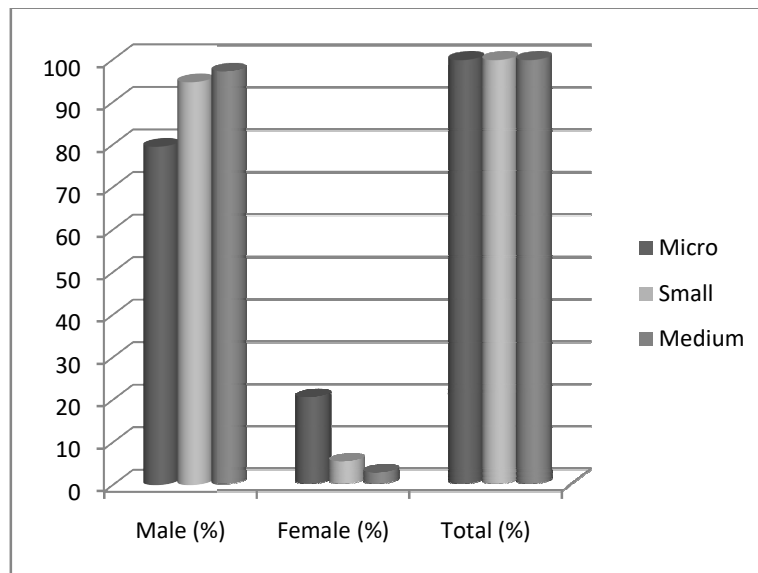


Figure: 1

7. Distribution of MSMEs Social Category Wise

Table 7

Sector	Schedule caste	Schedule Tribe	Other Backward caste	Others	Not Specify	Total
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: All India MSME annual report 2022-2023

8. Distribution of Employment by type of Enterprise in Rural and Urban area

Table 8 (Numbers in lakhs)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
All	1076.19	31.95	1.75	1109.89	100

Source: All India MSME Annual - report 2022-2023

9. Distribution of Employment through MSME in Area Wise

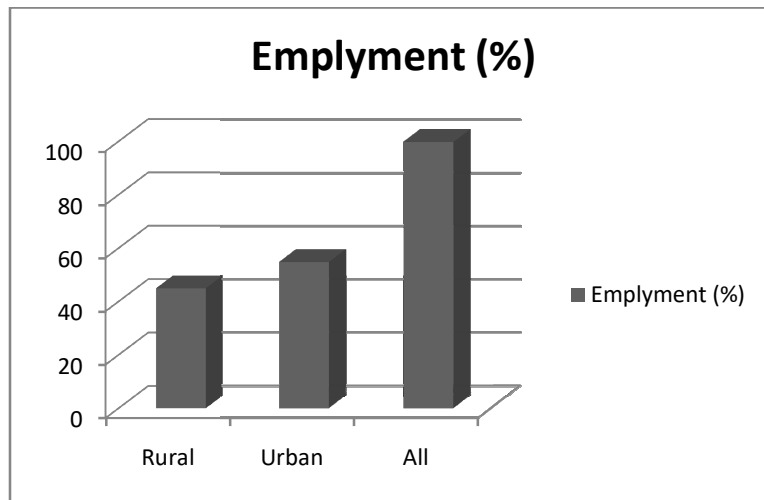


Figure: 2

10. Distribution of Workers by Gender in Rural & Urban Areas

Table 9(Numbers in lakhs)

Sector	Female	Male	Total	Share (%)
Rural	137.50	360.15	497.78	45
Urban	127.42	484.54	612.10	55
Total	264.92	844.68	1109.89	100
Share (%)	24	76	100	

Source: All India MSME Annual- report 2022-2023

11. Distribution of Workers (Male & Female):

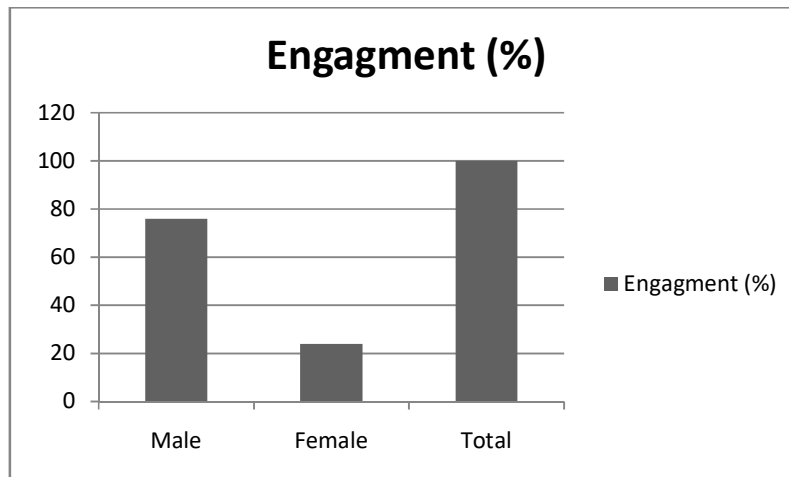


Figure: 3

V. PROBLEMS OF MSME SECTOR IN INDIA

- Lack of Finance Facility:** In reality for starting a MSME unit, every entrepreneur depends on nationalized banks for funds. But in present situation, though every bank provides various schemes for entrepreneurs but that banks charge high interest rate and more documentation. That interest rate creates a burden over entrepreneur to sustain in competitive market.
- Compete with Global Brand:** In present situation LPG fully effected in Indian market. So local product produced by MSME units always face difficulties to compete with global brand with a sensitive pricing practice.
- Inadequate Infrastructure:** Though now MSME unit owners are improving rapidly in different angles but till now they are facing the problem like lack of infrastructure in comparison to other entrepreneur.
- Less Scope for Acquiring Raw Materials:** Though, the availability of raw material for MSME unit is organized by different government sectors but till now most of the MSME

unit owner facing the problems like acquiring of raw materials in proper time in a basic price.

5. **Non availability of modernized technology:** Though our nation now able to produce new technology based industrial tools and techniques but MSME unit holders till today unable to use modern technology based machines for their business unit due to financial and skilled workers deficiencies.
6. **Unable to implement modern distribution system:** MSME unit owners are unable to use proper distribution system for their business unit due to less financial capability and very low market coverage.

VI. LESS AWARENESS ABOUT RECENT BUSINESS TREND:

Till now more than 80% of MSME unit owners are less educated and they concern only in their business unit. They have very less knowledge on recent business trend and government practices etc.

1. Overall GDP contribution by MSME sector towards Indian Economy

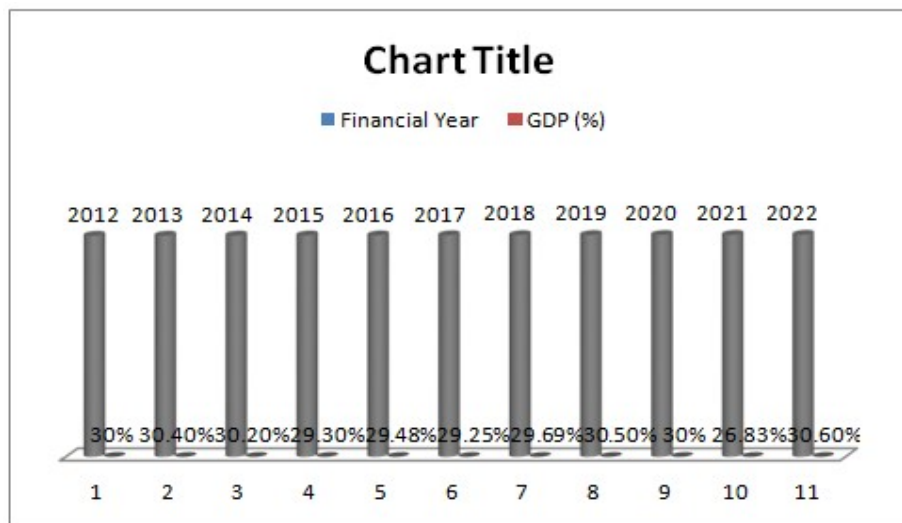
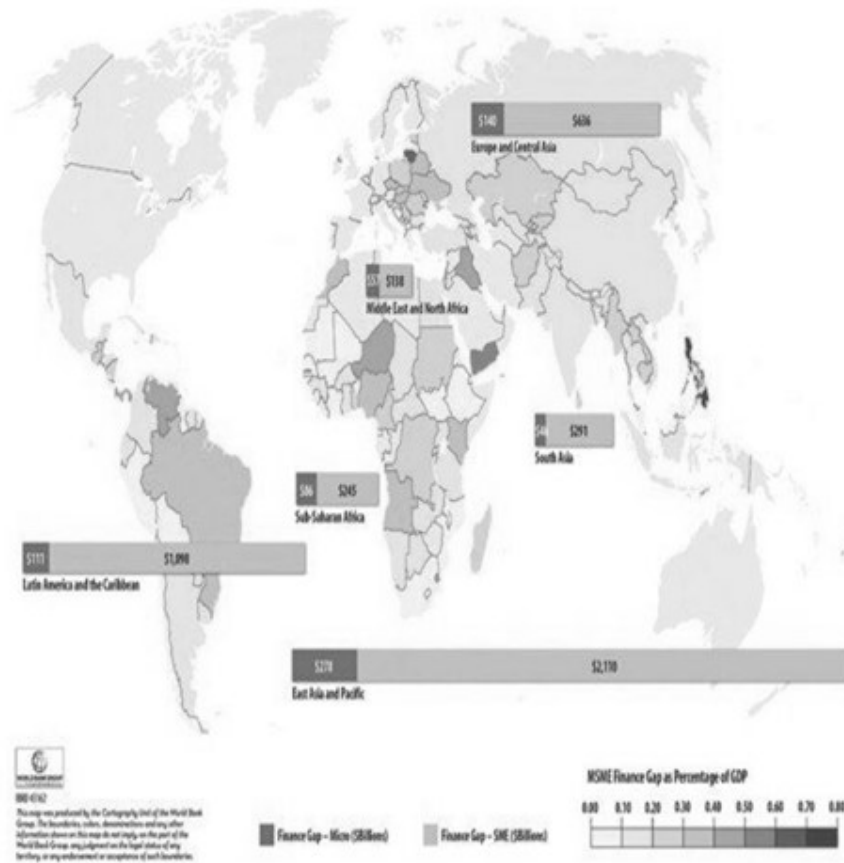


Figure: 4

2. **Global Scenario on MSME:** As per the estimation report of The International Finance Corporation (IFC) 65 million firms, or 40% of formal micro, small and medium enterprises (MSMEs) in developing countries, have an unmet financing need of \$5.2 trillion every year, which is equivalent to 1.4 times the current level of the global MSME lending. East Asia and Pacific accounts for the largest share (46%) of the total global finance gap and is followed by Latin America and the Caribbean (23%) and Europe and Central Asia (15%). The gap volume varies considerably region to region. Latin America and the Caribbean and the Middle East and North Africa regions, in particular, have the highest proportion of the finance gap compared to potential demand, measured at 87% and 88%, respectively.

3. Global Scenario on MSME



VII. FINDINGS

As per the above data analysis we found that though MSME sector improve significantly since last decade but till now it is unable to expand his full potentiality in terms of employability. Here we can clearly observe that MSMEs in India put their step in micro industry where as small and medium scales are very negligible existence in each and every state. Though it provide near about 30% GDP to the whole economy of our nation since last 10 years but it is not quite sufficient for our nation to become a developed nation. This is best time for MSME sector not only to put their effort for innovating new entrepreneurs to set up small and medium scale industries but also help and appreciate them in other kinds like financial, documentation, distribution system as well as provide suggestion regarding government rules and regulation.

VIII. LIMITATIONS

1. Till now most of the remote area people have no idea on government schemes for them interns of generating earning source.
2. Till now MEME department unable to reach all the remote area of India.
3. Documentation required by MSME department to obtain scheme is really difficult for uneducated remote area people.

4. Financial assistance through bank is tough task for an uneducated remote area female entrepreneur.
5. Local language based training facility is not available for remote area entrepreneur.
6. State language documentation facility is not available for access the facility by a remote entrepreneur.

IX. SUGGESTIONS

1. MSME sector should focus on small and medium scale industrial set up.
2. Central government as well as each state government should prepare plan and policies to encourage educated dynamic young youths to set up small and medium scale MSME units instead of searching jobs.
3. Training facility must be touching to both rural urban area people those who are interested for MSME.
4. Central government should impose policy through RBI for Banks towards simple documentation for MSME financial assistance.
5. MSME sector should focus on development of distribution channel for MSME products.

X. CONCLUSION

In present scenario MSME plays a vital role in Indian economy not only in terms of providing mass employment to both skilled and unskilled people but also provide near about 30% GDP to our whole nations economy since last 10 years. So here we can say the existence of MSME sector in India is in a stable position. For the development of this sector not only central government but also each every state government put their best effort through implementing new entrepreneurial schemes, imposing entrepreneurial based syllabus in higher education.

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