

Micro Small and Medium Enterprises- Nurturing Entrepreneurship in India

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Micro Small and Medium Enterprises is one of the incredible sectors that have created large footprints through its small footsteps. It is a sector that simultaneously caters the problems of unemployment, imbalance regional development, and inequitable distribution of income in India. MSME sector through its dexterity and vigour also became an imperative pillar of Indian economy through its contribution of 45% of total manufacturing output and 40% of total exports to country's Gross Domestic product (GDP). Besides its numerous contributions to various fields this sector is also been credited with the title of "Nurseries of entrepreneurship" as it attracts and encourages young generations to opt for entrepreneurship because of its low investment, smaller gestation period and indigenous technology. Therefore, Government of India (GOI) along with the Ministry of Micro Small and Medium Enterprises (MSME) are taking several initiatives for the promotion, development and rejuvenation of MSME. Thus, this paper is an attempt to study the role of MSME in encouraging entrepreneurship in India. In addition to that this paper will also through light on the policies, schemes and programmes launched by the GOI and Ministry of MSME for facilitating entrepreneurship through MSME. Lastly this paper will also highlight the role of Digital India Campaign, Skill India campaign, Startup India, Make In India, in promoting and assisting MSME entrepreneurship.

Keywords- *Micro Small and Medium Enterprises, Digital India Campaign, Government of India, Gross Domestic product.*

Introduction

Entrepreneurship is an incessant journey but not destination

Entrepreneurs are considered as "spark plug" because of their ability to change the image of any developing nation. Such individuals through their notion of generating value or capital by exploiting the unused resources and untapped potential results in curbing several problems like unemployment, low GDP, lower standard of living etc. A country like Israel, which has very less amount of resources, comes under the category of developed nations because of their entrepreneurs. Previously in India youths aspire for high profile jobs with good pay packages but youth of the modern times keen to apply their knowledge and skills towards establishing their own ventures or becoming a part of any start-ups.

This spark of entrepreneurship is further ignited by Government of India by launching numerous scheme like Skill India, Startup India, Digital India, Make in India, MUDRA, presumptive taxation which is directed towards MSME entrepreneurship. On the similar lines Ministry of MSME in assistance with Ministry of finance, Ministry of Commerce and industry and Ministry of skill development and entrepreneurship is designing the architect of MSME entrepreneurship by drafting several policies, programmes and schemes covering different areas of operations like finance, marketing assistance, infrastructure development, skill development. Besides this

ministry run three training institutes naming National Institute of Micro small medium enterprises, Hyderabad, National institute for entrepreneurship and business development, Noida, Indian Institute of Entrepreneurship (IIE) to impart the requisite skills for entrepreneurship development across country.

These continuous efforts is reflected in the report of ASSOCAM, according to which India had become the third biggest ecosystem of startups with approximately about 1200 start ups out of which 72% of initiators are below 35 years of age but only 9% of founders are female.

Objectives of the study

Following are the objectives of the study-

- 1) To study the role of several government campaigns in encouraging the MSME entrepreneurship.
- 2) To identify the major policy initiatives and schemes in budget 2017 for assisting MSME start-ups and expansion.
- 3) To acknowledge the new schemes launched by the Ministry of MSME along with several other ministries for enhancing the competitiveness of MSME entrepreneurships.

Role of various Government Campaign in persuading MSME entrepreneurship

1. SKILL INDIA

15 July is recognized as the World Youth day. To embrace this beautiful occasion Prime Minister Narendra Modi has announced **Skill India** scheme at Vigyan Bhawan, New Delhi with an objective to impart requisite skills to 40 crore youths in different fields. This scheme incorporates various other campaigns of the government like National Skill Development Mission, Rural India Skill ,National Policy for Skill Development and Entrepreneurship, Pradhan Mantri Kaushal Vikas Yojana (PMKVY)" and Skill Loan scheme.

Under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), skills according to the current demand will be provided and rewards will be given to those candidates will successfully complete their approved training. The ministry has set the standard to equip 24 lakh individuals throughout India. Thus, the scheme will endow people of the unorganised sector with required formal certificate for their skills under the head of Recognition of Prior Learning (RPL). For the upcoming 5 years candidate who will successfully complete the training under the skill development program will be provided with the **SKILL LOAN** of Rs 5000- 1.5lakh.and targeted to provide it to 34 lakhs the government also thought to generate 10 lakh certified individuals under the head of PMKVY's RPL. The candidate will

Recently Indian government launch SANKALP SCHEME (Skill Acquisition and Knowledge Awareness for Livelihood Promotion Programme), in which they allocated 4000 crore with an purpose to impart significant training related to marketing.

In addition to that GOI also aims to establish 100 India International Skills Centers to run advance courses regarding foreign languages in order to make youths capable for foreign jobs.

Different players from the private sectors also shown their interest in this regard like Oracle Co. made an announcement to provide training in computer science to half a million youth each year. To bring it on the bigger platform they extend their partnership to 2700 institutes of India. On 12 February 2016 the company also made to announcement to establish 2.8 million sq. ft. Institute in Bengaluru .

Private players of Japan also set to establish six campuses across India where first three institutes will be set up in Rajasthan, Karnataka and Gujarat till 2017. They thought to impart training to 30,000 people in upcoming 10 years. To bestow young generation specially of rural areas with Japanese technique of manufacturing. Japanese firms in co-operation with Indian firms design Japanese Endowed Courses (JEC) for engineering colleges and will establish Japan-India Institute of Manufacturing (JIM).

Indian Leather Development Programme till 15 February 2016 prepared 51,216 young individuals within the time frame of 100 days. And also set the target to instruct 1, 44,000 youths per year. In order to provide good training infrastructure the department will establish four new sisters of Footwear Design & Development Institute at Ankleshwar (Gujarat), Hyderabad, Banur (Punjab), Patna.

2. START UP INDIA

The Start-up India scheme was announced on 16th January, 2016 by Prime Minister Narendra Modi to foster Greenfield projects throughout the country. Though the scheme is administered and regulated by Department of Financial services. According to scheme the grants will facilitated by individual branch of each bank specifically for SC or ST and for women entrepreneurs. The foremost intent behind the scheme is to exploit the talent and capabilities of those aspiring individual who require resources. Therefore, the provisions were made to disseminate grant through refinance window of Small industrial development bank of India with initial sum of Rs10, 000 crore.

In addition to that the scheme also tries to pull the institutional credit structure in order to reach the untapped sectors of the people by empowering them with the financial resources through banks that can be repayable up till 7 years. Moreover, the candidate will also get the income tax indemnity for three years, quick registration of patents and also 80% rebate in patent registration fee, no labour and environment inspection, easier access to public sector projects with simplified procurement norms etc.

Therefore, in order to relish dream of strong economy and developed nation government thought to approve minimum 2.5 lakhs approvals in 36 months from the launch of the scheme.

3. MAKE IN INDIA

Under the Make In India scheme GOI has made several provisions to encourage MSME entrepreneurship. Few of which are as follows-

- a. In order to reduce the complication in establishing a business the government has redesigned the concepts of de-licensing and deregulation.
- b. An individual can apply 24*7 for industrial license, loan through eBiz portal.
- c. If an individual wants to set up his / her own manufacturing plant then he/she visit on “Invest India”.
- d. After fulfilling of certain conditions, the central or state government will also exempt the entrepreneur from labour and environment regulations.
- e. The provision of one monthly or quarterly return payment will be there instead of submitting the several returns.

- f. For effective and smooth flow of goods government is working on framing industrial corridors through connecting various cities and ports.
- g. Under the scheme, the aspiring entrepreneurs can also become traders or suppliers as government also inviting large manufactures from around the world.
- h. The government has not only introduced the web-based facilities to registering the patents with 10% (50% for MSME) rebate on fees and also streamline and simplify the entire procedure.

4. DIGITAL INDIA

In order to eradicate the problem of red- tapism and beaurocracy the government has tried to automitize the entire process under the scheme of digital India. The government has launch various web portals like e-biz, Invest India, etc for registration purposes, www.msmemart.com for national level tender information, e- development tool , for mailing system, distinctive section for popular products, worldwide trade, varied language assistance etc in addition to that website naming [www. msme shopping.com](http://www.msme shopping.com) to encourage web-based shopping of msme products. Similarly, various other websites are also launched for audit, credit facilities, skill facilities, consultancy and assistance etc.

Schemes by Ministry of MSME for encouraging MSME entrepreneurship

Credit Guarantee Scheme

To endow credit to Micro and Small Enterprises for loans up to Rs. 100 lakhs without collateral or third-party guarantees. It facilitates flow of credit to the MSE sector. Till now 21, 60,975 no. of credit application approved with guarantee coverage of Rs. 103864 crores.

Credit Linked Capital Subsidy Scheme

It helps to adopt modern technology and improve their productivity. It's budget estimates for 2015-16 upto 290 crore. This scheme, expenditure incurred during 2015-16 (upto December, 2015) is Rs.203.76 crore and units benefitted are 3,142 nos. Eligible claims with reference date in a particular quarter should be submitted to Office of DC (MSME), New Delhi by the end of next quarter through Online Application and Tracking System.

Micro and Small Enterprises Cluster Development Programme (MSE-CDP)

MSME, Govt. of India (GOI) has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country. Its budget estimates for 2015-16 upto 100 crore. To build capacity of MSEs for common supportive action through formation of self-help groups, consortia, up gradation of associations, etc.

Lean Manufacturing

The scheme was started as a pilot phase in 2009 for 100 Mini Clusters in 11th Five Year Plan. To enhance the manufacturing competitiveness of MSMEs through the application of various Lean Manufacturing (LM) techniques like like 5S System, Visual Control, Standard Operating Procedures (SOPs), Just in Time (JIT), KANBAN System, Cellular Layout, Value Stream Mapping, Poka Yoke, Single Minutes Exchange of Dies (SMED), Total Productive Maintenance, Kaizen Blitz . It's budget estimates for 2015-16 is 12 crore. Awareness

Programmes are being organised in coordination with NMIU, LMC, Associations, other stake holders etc. Potential MSMEs are motivated for availing the scheme.

Design Clinic Scheme

To create a sustainable design eco system for the MSME sector through continuous learning and skill development. Its budget estimates for 2015-16 up to 10 crores. Increase the awareness and competitiveness of local products and services through design. The scheme is divided in two major parts: Design Awareness- Seminars & Workshop.

Information and Communication Technology

To promote an echo system of cost effective and all-inclusive ICT applications for MSMEs through Cloud Computing. To establish Inter and Intra Networks amongst Technology Centres and Institutions of Office of DC, MSME. It's budget estimates for 2015-16 up to 5.5 crore. Data is maintained by the service provider and the SMEs need not worry about the change in version of software and installation charges of the software.

Incubation Centeres

To promote emerging technological and knowledge based innovative ventures that seek the nurturing of ideas from professionals. To promote networking and forging of linkages with other constituents of the innovation chain for commercialization of their developments. Its budget estimates for 2015-16 up to 7 crores. This Scheme, expenditure incurred Rs. 4.16 Cr., no. of Business. Incubators benefitted were 47 nos. in the F.Y. 2015-16.

Bar Code Scheme

To enhance marketing competitiveness of Micro & Small Enterprises (MSEs) by providing 75% of one –time registration fee and Annual recurring fee (for first three years) paid by MSEs to GS1 India. Popularizing the adoption of bar codes on large scale amongst MSEs. It's budget for 2015-16 up to 5 crore.

Marketing Development Assistance Scheme

To encourage small & micro enterprises in their efforts of tapping and developing overseas markets. To increase participation of representatives of small/micro manufacturing enterprises under MSME India stall at international trade fairs/exhibitions. It's budget estimates for 2015-16 up to 6 crore. The Government of India will reimburse 75% of air fare by economy class and 50% space rental charges for micro & small manufacturing enterprises of General Category entrepreneurs

ASPIRE - A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship

The scheme was commenced on 16.03.2015 with an objective of accelerating innovative and rural based agricultural industry with an initial amount of 210 crore. For this, steps are taken to establish the system of 30 business-based technology incubators and 80 livelihood-based business incubators will be established. First of its kind was established on 15-April 2015 in Deoria, Uttar Pradesh second in Rajkot Gujarat on 18 December 2015 and 21 are in the process of establishment. Similarly two TBI's are still in the process of establishment in Thiruchirapally, Tamil Nadu and in Pune, Maharashtra.

Schemes formulated for endorsing women entrepreneurship

Trade related Entrepreneurship Assistance and Development (tread) Scheme for Women

The schemes aim to encourage women entrepreneurship in nonfarm sector by endowing them the financial assistance up to 30 lakhs through NGO's and banks

The Mahila Coir Yojana

His scheme is first female focussed scheme where motorised rats are provided to one female artisans per house but after equipping them with the sills of spinning coir yarn for 2 months. While training duration females are provided with 1000 rs per month. After successful completion of the training the trained females are also provided other coir spinning equipments which can be used by the female at 75 % financial assistance to the maximum limit of 7500 rs.

National Awards to Banks

The ministry of msme also give awards to the banks for their outstanding contribution in accelerating the credit flow for new start ups in MSME sector.

National Awards to Entrepreneurs and Enterprise

The ministry of msme also honour msme entrepreneurs and enterprises whose perform outstanding in various categories like entrepreneurship, unique product, techniques, process etc. Women entrepreneur are given special awards in coir sector. One award in SC/St category and one in north eastern region.

Initiatives for promoting MSME entrepreneurship in Budget 2017

- a. The finance Minister has diminished the income tax limit to 25% for the firms having turnover up to 50 crores.
- b. The time frame to ask for profit linked tax exemption is also increased up to 7 years form initial 5 years.
- c. The government has also allocated 17000 crore Rs for Skill India Mission.
- d. MAT can be brought forward to 15 years instead of 10 years previously.

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