



Role of Government in development of MSMEs in India

Dr. Shipra Singh

Assistant Professor, Department of Management

Dr. Preeti Global University, Shivpuri, Madhya Pradesh, India

Email id - shiprasingh2301@gmail.com

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ABSTRACT

Over the previous few years, the MSME area has emerged as a vibrant and dynamic sector in all economies, mainly in developing economies. Its contribution to the socioeconomic improvement of a state is such that it's far broadly and popularly known as the engine of economic increase. that is riding entrepreneurship growth in addition to they may be innovative in nature and respond timely and successfully to the converting market state of affairs. they are complementary to huge industries. Fulfillment is performed only through doing enterprise, nothing is accomplished via just wondering, and there is no dearth of thinkers. If I slightly exchange the which means of this verse in keeping with modern day instances, then i might say that only via the corporations of MSMEs, the Self-reliant India marketing campaign will be accomplished and India becomes robust. we all are micro, small and medium marketers, however the role of absolutely everyone may be very crucial within the heights that India will reap within the twenty first century. it's miles very crucial to reinforce the MSME area of the u . s . for India's exports to growth constantly and for Indian products to attain new markets. Our government is taking selections and formulating new policies keeping in mind your ability and the massive opportunities of this zone. we have resolved to make the neighborhood merchandise international which we have in every district and each a

part of our united states. the present paper attempts to supply an analysis on function of presidency in development of MSMEs in India.

Introduction

Since the independence, vast efforts had been made for the improvement of small-scale industries. Cottage Industries Board became mounted in the country in 1948 and a quantity of Rs 42 crore turned into spent for his or her development during the first five 12 months plan period. Then in the announcements of industrial policies of 1951, 1977, 1980, 1991, 2001 and 2016, small and cottage industries were given a prominent place. Due to the combined efforts of all, small scale industries have progressed and have helped a lot in removing unemployment and improving the economy of the country, but despite these measures, there has been no success in accelerating the pace of development in this sector.

Continuous efforts are being made to expand small and micro industries at the agricultural level. The Ministry of MSME, which looks after the development of micro, small and medium industries of the relevant government, has made many such regulations in the remaining year which can be proving helpful inside the development of small and cottage industries in rural India. consistent with the country wide Shampoo Survey 2015 - 2016, approximately 633.28 lakh gadgets are operating inside the MSME zone. in keeping with the survey, 1.10 crore jobs had been created in these units. (Biswas P K. 2007)

In the beyond years, many steps had been taken through the authorities to enhance the circumstance of these industries. Those consist of measures like availability of credit score, introduction of schemes for upgradation of generation, fine development and presenting assistance for advertising of merchandise in this quarter. Thinking about the contribution of small and micro industries in rural India, the government is likewise paying special attention to them. Khadi and Village Industries fee not best fulfills the easy desires of goods produced by the large rural vicinity of the country. but additionally presents permanent employment to approximately 152 lakh human beings in rural regions. The fee is playing an important function in marketing the goods of humans jogging small and cottage industries thru self-employment in rural regions and taking them to the city markets of the country. (Das K., 2007)

After attaining independence, our central government laid special emphasis on agriculture and establishment of heavy industries respectively, due to which small and cottage industries gradually got

neglected. However, cottage industries could not be completely eliminated because the efforts of people at the personal level were involved in its operation and even today cottage industries are playing their useful role standing parallel to other industries.

In villages, towns and cities, various works like flour mill, oil mill, handloom, silk and khadi clothes, harvesting and harvesting of crops etc. are being done at the cottage industry level. The traditional professions of tailor, carpenter, blacksmith etc. fall in this category. Some people are doing small scale metallurgy, leather work, making parts of various machines, brick making, paper bag making etc. which are the best examples of modern cottage industries. (Garg I, Walia S., 2012)

Even though the shape of cottage industries may additionally have changed everywhere in the global due to the improvement of science and technology, the future of such industries cannot be stated to be in limbo. Mechanization in cottage industries is also a welcome improvement because it has caused a rapid increase in production capacity. Processing of fruits and greens is without difficulty done via cottage industries based on those.

On one hand, diverse food gadgets like pickles, jams, jellies, papad, biscuits, organized spices and many others. are being prepared on a big scale, at the same time as on the other hand, the manner of manufacturing them goes on even on a small scale. in this manner lakhs of people are getting employment at man or woman level. Currently, there may be immense capacity in this area in India due to the fact at the side of the population boom, our day by day wishes also are constantly growing.

Pandit Jawahar Lal Nehru, the primary high Minister of impartial India, although he gave extra significance to large industries for the speedy improvement of the country, yet he burdened on the establishment of small and cottage industries in villages to reinforce the rural financial system. He believed that for the improvement of villages, it's far vital to expand home industries as unbiased devices. Making plans fee turned into formed in 1950 to plot and enforce national improvement. Which has made it clear that small and cottage industries are crucial components of our financial system that could in no way be left out. (Ghatak S. 2010)

The number of unemployed in the country is continuously increasing. The limited area of cultivable land in an agricultural country cannot absorb the unemployed. There does not seem to be a possibility of making arrangements to increase jobs at the government level. In such a situation, development of village industries can be a suitable strategy to provide work to every hand. After

independence, immense efforts were made for the development of small-scale industries. Cottage Industries Board turned into installed in the United States of America in 1948 and at some stage in the first five-12 months plan duration, a quantity of Rs forty-two crore became spent for their improvement. Then in the announcements of industrial policies of 1951, 1977, 1980 and 1991, small and cottage industries were given a prominent place. Due to the combined efforts of everyone, small scale industries progressed and this has helped a lot in removing unemployment and improving the economy in the country. (Khaksar S. 2011)

The census of small business devices registered and working inside the country become completed for the first time in 1972 in which One forty lakh units had been counted. in keeping with the census conducted after 15 years in 1988, there had been Five eighty-two lakh gadgets running in the United States. those provided employment to 16. fifty-three lakh human beings in the year 1972-73, which extended to 36.66 lakh inside the year 1987-88. The charge of increase in exports changed into additionally excessive. Exports really worth Rs 127 crore had been made in the 12 months 1972-73, which elevated to Rs 2,499 crore in the 12 months 1987-88. consistent with the document released by way of the Ministry of MSME, government of India inside the year 2012, in 2010-eleven, it expanded to 311.52 lakh devices and Rs 10,95,758 crore was generated. except, 732.17 lakh human beings additionally were given employment. retaining in view the capability for employment and exports, the authorities has quadrupled the allocation for the development of small industries within the 8th Plan in comparison to the seventh Plan. (Kumar A, Batra V, Sharma SK., 2009)

Significance of MSME

MSME is added in India inside the year 2006. There are in spite of the truth that a few company sectors that have been now not yet blanketed on this area, this Act made a landmark alternate and grow to be blanketed inside the definition of micro, small and medium sized agencies. So taking advantage of the scope of the arena, now the authorities has simplified the MSME registration with paperless paintings. in addition, importance of MSME in India is defined underneath:

1. It generates employment on a big scale: firms concerned in this location require much less capital to begin new businesses. Moreover, it creates a large opportunity for unemployed people to take benefit. India produces about 1.2 million graduates each twelve months, of which the general style of engineers is prepared 0.8 million. As of now there may be no financial system that would provide a big sort of freshers in best three hundred and sixty 5 days. MSME is a boon for modern-day abilities in India.

2. Economic balance in phrases of boom and Leverage Exports: That is the most important riding force in India contributing 8% to the GDP. Considering the contribution of MSMEs in production, exports and employment, different sectors also are getting its advantages. In recent times, multinational businesses are buying semi-finished and auxiliary products from small organizations, for instance, vehicle corporations purchase clutches and brakes. It's miles beneficial in developing dating amongst MSMEs and big groups, even after GST implementation 40% MSME place moreover accomplished GST registration which performs a vital function in developing the authority's income thru eleven%.

3. Encourages inclusive growth: Inclusive growth of medium, small and medium-sized corporations has been on the pinnacle of the ministry's time table for decades. alternatively, poverty and deprivation are an impediment to India's improvement. moreover, it includes the marginalized sections of a society this is a big project earlier than the MSME Ministry.

4. Tough paintings and minimum overhead: even as in big scale groups, one of the crucial worrying situations is to hold human assets through a effective human beneficial aid manipulate professional manager. but, in terms of MSME, the difficult artwork requirement is a lot a great deal much less and it does not require surprisingly expert labor. consequently, the oblique prices incurred with the aid of manner of the owner are also much less.

5. Clean control shape for institutions: MSME can start with confined sources underneath the control of the owner. this option making will become smooth and green. In evaluation, a big organization calls for a consultant for every departmental functioning as it has a complex organizational structure. whilst a small agency does no longer need to hire any outside expert for it manipulate. The owner can control himself. Consequently, it can be operated single-exceeded.

6. Key characteristic within the venture of "Make in India": The initiative signed with the aid of way of the pinnacle Minister of India "Make in India" has been made easy with MSMEs. Its miles taken as a spine in making this dream a possibility. moreover, the government has directed monetary establishments to offer more loans to businesses within the MSME zone.

Role of Govt. in development of MSMEs

Governments are typically chargeable for selling and developing MSMEs. but, the government of India nutritional supplements the countries' efforts via various obligations. The Ministry of Micro, Small and Medium businesses set up thru the government of India is designed preserving in thoughts the

position of MSMEs in the Indian monetary system and envisions a extra modern MSME area with the aid of selling the selling and improvement of this zone.

Some of statutory and non-statutory our bodies paintings beneath the aegis of the Ministry of MSME. these include Khadi Village Industries fee, E-Coir Board, countrywide Small Industries commercial enterprise employer, country wide Institute of Micro, Small and Medium organizations and Mahatma Gandhi Institute of Rural Industrialization. The MSME Ministry and its companies are answerable for assisting states that try to promote entrepreneurship, employment and livelihood opportunities. It also pursuits to decorate the competitiveness of MSMEs inside the converting monetary surroundings. (Ravi S., 2009)

The Ministry of MSME in collaboration with different Ministries, Departments and establishments presents a huge range of help programs and different tasks aimed at improving the monetary capabilities of MSMEs, imparting them generation support, upgrading their infrastructure, enhancing their abilities and improving there Are designed to improve competitiveness.

The authorities, Ministry of MSME and its numerous corporations formulate and put into effect numerous rules and packages to provide the subsequent centers to those organizations-

get admission to adequate credit score from banks and economic establishments;

- Guide for technology upgradation and modernization;
- Properly evolved infrastructure centers;
- Checking out and certification centers;
- To be familiar with modern control practices;
- Education packages for entrepreneurship and talent improvement;
- Assist in product improvement, layout and packaging;
- Welfare helps to artisans and employees;
- Help for higher access to every domestic and export markets and
- Business enterprise primarily based absolutely help to assist devices and their companies in strengthening capability constructing.

Now we will discuss in detail about the organizations working under the aegis of MSME Ministry, the programs developed by them, schemes and various recent initiatives taken by them.

Statutory Bodies and Other Attached Offices under the Ministry of Micro, Small and Medium Enterprises The following statutory bodies and institutions function under the Ministry of MSME: -

1. Khadi and Village Industries Commission
2. Technology Center
3. The Coir Board
4. National Small Industries Corporation Limited
5. Mahatma Gandhi Institute of Rural Industrialization
6. National Institute of Micro, Small and Medium Enterprises

Khadi and Village Industries Commission

Khadi and village industries are national heritages of India. Khadi and Village Industries fee is a statutory company shaped under the aegis of the Ministry of MSME which turned into hooked up below the Khadi and Village Industries commission Act, 1956. Apart from selling and growing Khadi and Village Industries, KVIC works to reinforce rural economies by way of imparting employment opportunities in rural areas through production and advertising and marketing of Khadi and Village Industries products. The head office of the Commission is located in Mumbai. (Venkatesh S, Muthiah K. 2012)

Village industries include six distinct sectors: agro-based and food processing industries; Mineral based industries; Health and Cosmetics Industry; handmade paper, leather and plastic industries; Rural engineering industries and service industries.

The main objectives of Khadi and Village Industries Commission include:

- Social objective of offering employment in rural regions;
- Monetary objective of manufacturing salable goods;
- The broader goal of creating self-reliance some of the human beings and constructing a strong rural community spirit.

Technology Centre

Technology Centers are set up by way of the Ministry of MSME that have been in advance referred to as tool Rooms and Technical development Centers. technology centers play a essential role in imparting sensible talent and development training to more than two lakh unemployed young adults and employer employees each year.

A extensive range of exceptional gadget, skilled employees and consultancy services are furnished by using these era facilities to MSMEs to replace technology of their techniques and merchandise.

The Choir Board

Coir Board is a statutory body mounted below the Coir corporation Act, 1953 with the goal of promoting the improvement of coir organization. India is the largest producer of coir fiber within the global, accounting for more than eighty percent of the general global coir fiber manufacturing. The headquarters of the board is placed in Kochi, Kerala.

the main objectives of the Coir Board consist of:

- Facilitate and promote manufacturing and advertising of coir and its products;
- Advertising of export of coir and its derived products;
- To improve the standard of dwelling of workers engaged in cotton enterprise.

National Small Industries organization restrained

country wide Small Industries enterprise constrained is a identified business enterprise of the authorities of India. it is been set up underneath the Ministry of Micro, Small and Medium corporations. Country wide Small Industries employer limited operates its services through 8 technical centers across during the country wide Small Industries business enterprise restrained has set up a schooling cum incubation middle and additionally provides a package deal of services to the desires of the MSME zone. (Dixit A, Pandey AK., 2014)

The main targets of country wide Small Industries company confined consist of:

- To provide included offerings including advertising, finance, technology and other offerings to promote and support micro, small and medium corporations.
- To grow to be the united States's most suitable organization for the improvement of micro, small and medium-sized companies.

Mahatma Gandhi Institute of Rural Industrialization

With in the year 2008, Jamna Lal Bajaj relevant studies Institute, Wardha turned into redesignated as a country wide Institute with the aid of the Indian Institute of era, Delhi beneath the Ministry of MSME. It is now referred to as Mahatma Gandhi Institute of Rural Industrialization.

the principal targets of Mahatma Gandhi Institute of Rural Industrialization encompass:

- To accelerate rural industrialization for sustainable rural financial system in order that KVIs co-exist with key industries;
- Bringing professionals and professionals into Gram Swaraj;
- assisting conventional artisans;
- developing progressive thoughts thru pilots and area trials;
- To behavior research and development using nearby assets for alternative technology.

Country wide Institute of Micro, Small and Medium businesses

The country wide Institute of Micro, Small and Medium establishments grow to be in the beginning mounted due to the fact the principal industrial Extension training Institute in New Delhi in 1960 below the then Ministry of industry and trade, government of India. In 1962, the institute changed into transferred to Hyderabad as a registered society named Small Industries Extension Education Institute. Following the enactment of the MSMED Act, 2006 the Institute end up re-specific because the country wide Institute of Micro, Small and Medium organizations. The institute is presently functioning below the Ministry of Micro, Small and Medium institutions. (Sharma AK, Kumar S. 2011)

The activities of the Institute are completed through its four schools of excellence, specifically enterprise improvement; agency manage; Entrepreneurship and enlargement; and business enterprise facts and communique.

The principal goals of the national Institute of Micro, Small and Medium enterprises consist of:

- Its number one goal is to teach the running shoes,
- to organize schooling on new regions of data technology,
- Bringing to light various subjects via meetings and seminars,
- Emphasis on need primarily based programmed,
- Adoption of customer-oriented approach and modern interventions,

- to evaluate the effectiveness of the programmed,
- Emphasis on research publications.

Conclusion:

MSME is the backbone of the Indian financial system. The arena has performed an important function in the improvement of the use of a, taking advantage of exports, developing huge employment possibilities for the unskilled, clean graduates and the unemployed. It additionally elevated the possibilities for banks to offer more loans to corporations within the MSME vicinity. Government should take unique care in addressing the importance of MSMEs in phrases of offering extra MSME registration advantages by way of the use of imposing higher policies and allow economic establishments to provide extra loans at lower hobby rates for the sustainability of the area. We offer a huge variety of prison offerings like Trademark Registration, business enterprise Registration, FSSAI License, and much extra. So, for a very problem loose technique, contact the expert group of “Legal Esta”.

Ever since the industrial policy resolution, 1956 came into lifestyles, due interest and importance changed into given to the status quo and improvement of village and small industries alongside agriculture. The boom potential of MSMEs and their considerable contribution to the boom and improvement of our economic system attracted the eye of the government of India. MSME Act, 2006 was enacted by way of the Parliament to encourage and promote this MSME quarter.

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