



**UNIVERSITY OF AGRICULTURAL SCIENCES, BANGALORE**  
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Venue : Dr.R Dwarkinath Hall  
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***Seminar II***

**Micro, Small and Medium Enterprises in Agriculture : An Overview**

Micro, Small, Medium Enterprises (MSMEs) are the strongest drivers of economic development, innovation and employment for the global economy. As per the data gathered by ICSB (International Council for Small Business), formal and informal MSMEs make up over 90 per cent of all firms and account for 70 per cent of total employment and 50 per cent of the world GDP. India has vast aggregates of about 6.33 crore MSMEs, out of which 99.4 per cent are micro-enterprises. This sector contributes about 45 per cent to manufacturing output, more than 40 per cent of exports, over 28 per cent of the GDP while creating employment for about 111 million people. The value of MSME related products exported during 2020-21 reached \$124.4 billion. The recent National Manufacturing Policy envisaged raising the share of manufacturing sector in GDP from 16 per cent at present to 25 per cent by the end of 2022 (Gowtam, 2020). With this background, the present seminar has been conceptualized with the following objectives:

1. To understand the concept of MSME
2. To study the growth and development of MSME in rural and urban areas
3. To know the schemes implemented by ministry of MSME
4. To review research studies related to MSME

**Concept of MSME**

Micro, Small and Medium Enterprises are generally defined in terms of the investment in the plant, machinery and/or equipment, the number of people employed and annual turnover (Gowtam, 2020). Micro, Small and medium Enterprises (MSMEs) in India are heterogeneous in terms of size of the enterprises and variety of products and services, and levels of technology. The MSMEs are categorized into small, micro and medium levels on the basis of annual turnover and characteristics of MSME.

**The growth and development of MSME in rural and urban areas**

During pre-liberalization, India amended the Industrial Policy Resolution (1948) defining the role of state in industrial development for the first time. At the same time, the country accorded high priority to small and medium enterprises. Despite numerous protection and policy measures, MSME still remained technologically backward leading to the establishment of Industrial Policy (1991) emphasizing the growth of Small-Scale Industries (SSI). In 1991, the growth rate of SSI was almost three times of the total industrial sector from 1992 to 1995. During 2020-21, the MSMEs has contributed 26.83 per cent GDP in

country's economy with 36.90 per cent of Gross Value Added. There are 324 and 309 lakh enterprises in rural and urban areas, these enterprises provided an employment of around 497 lakh persons in rural and 612 lakh persons in urban areas, respectively.

### **The major schemes implemented by Ministry of MSMEs:**

Prime Ministers Employment Generation Programme, Scheme of Fund for Regeneration of Traditional Industries, Scheme for Promotion of Innovation Rural Industry and Entrepreneurship, Credit Guarantee trust fund for Micro and Small Enterprises, Credit Linked Capital Subsidy Scheme, Atmanirbhar Abhiyan and Udayam Adhar.

### **Research studies**

Gola *et al.* (2019) observed that during the last five years there has been an increase in the number of skilled and unskilled labour employed by SMEs in Meerut, which is a positive indicator to the growth and development of SMEs sectors in India.

Patel and Shah (2021) found that out of 100 respondents 41% are having sole proprietary form of business, 20% are having partnership, 34% are having family-owned business, 3% are having Limited liability Partnership and 2% are having company.

### **Conclusion**

MSME's are boon for reducing regional imbalances and a means to utilize the natural and abundant human resources available in India. It helps in generating employment opportunities in the rural areas with low capital, raising the real income of the people, contributing to the development of agriculture by reducing poverty, migration, economic disparity, unemployment. Government and extension organizations should go for periodical appraisal of MSMEs development schemes and programmes in order to uplift rural areas. Innovations, infusion of new technologies, skilled manpower and availability of finances in the MSMEs can transform the lives in the rural landscape of the country.

### **References**

- GOWTAM, H. R., 2020, MSMEs-The catalyst of development. *Kurukshetra A journal of Rural Development*, **68**(10):36-46
- GOLA, K. R., MRIDUL DHARWAL AND AGGARWAL P. K., 2019, Role of MSMEs in growth and development of Indian economy- A study of Meerut district in Uttar Pradesh. *International Journal of 360 Management Review*, **07**(01), 82-91
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