



SOCIAL CATEGORY - WISE MSMES IN ANDHRA PRADESH AND INDIA

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Abstract

The registration of MSMEs in India shows that the State of Maharashtra occupied first rank in all the three cases. Bihar stood at second rank in case of micro enterprises and small and medium enterprises Gujarat stands its second position. The registration of all the three units accounted for less than one per cent in eighteen states / UTs in India. The total registrations of micro enterprises recorded at 2,74,147 of which 41.66 per cent belongs to backward classes next in order general category 33.89 per cent. Scheduled caste 18.97 per cent and Scheduled tribe 5.48 per cent in Andhra Pradesh while in India, 74,17,614 registered micro enterprises under these four social categories. Year-wise and social category wise data indicates that there was a wide variation across social groups in the registration of micro, small and medium enterprises in Andhra Pradesh as well as in India. The two social groups viz., Scheduled Tribes and Scheduled Castes have not compete with general and backward classes at all in establishment of enterprises either at the state level or at all India level. As many as 2017 enterprises, 1166 i.e., 57.8 per cent of enterprises come under OBCs followed by general category 724 (35.9%) between 2015-16 and 2019-20. This clearly show that there were wide variations in the registrations of MSMEs under different social categories in the district. There is need to encourage SC and STs towards setting up of enterprises the subsidy amount should be increased and at the same time the subsidy should be linked to the promptness of the repayment.

Keywords: enterprises, manufacturing, employment, social category, MSMEs, registration,

Introduction

Micro, Small and Medium Enterprises (MSMEs) play an important role in development of an economy with their effective, efficient, flexible and innovative entrepreneurial spirit. The MSME sector is an important pillar of Indian Economy as it contributes with a vast network of around 30 million units, creating employment of about 70 million, manufacturing more than 6000 products, contributing about 45 per cent to manufacturing output and about 40 per cent of exports directly and indirectly.

After 14 years since the MSME Development Act came into existence in 2006, a revision in MSME definition was announced in the Atmnirbhar Bharat package on 13th May, 2020. As per this announcement, the definition of Micro manufacturing and services units was increased to Rs. 1 crore of investment and Rs. 5 crore of turnover. The limit of small unit was increased to Rs. 10 crore of investment and Rs 50 crore of turnover. Similarly, the limit of medium unit was increased to Rs. 20 crore of investment and Rs. 100 crore of turnover. The Government of India on 01.06.2020 decided for further upward revision of the MSME definition. For medium enterprises, now it will be Rs. 50 crore of investment and Rs. 250 crore of turnover.

At the all India level the total registered MSMEs were constitute 83,70,447 of which micro units 74,17,612 (88.62%), small 9,17,096 (10.95%) and medium units 35,739 (0.43%). This clearly indicates that micro enterprises having the highest share compared with small and medium enterprises in India. Across state level the highest proportion of micro units registered in Maharashtra 13,40,659 (18.07%) followed by Bihar 8,49,376 (11.45%), Tamil Nadu 8,32,021 (11.22%), Madhya Pradesh 8,12,240 (10.95%), Uttar Pradesh 7,46,160 (10.06%), Gujarat (6,32,134 (8.52%), Rajasthan 4,57,695 (6.17%) and Andhra Pradesh 2,74,147 (3.70%) and more importantly 20 states and UTs having less than one per cent of micro units or enterprises. The number of small enterprises also registered highest in Maharashtra 1,77,888 (19.40%) next in order Gujarat 1,12,206 (12.23%), Tamil Nadu 1,11,688 (12.18%) and Andhra Pradesh had its ninth rank 40,891 (4.46%). In case of medium enterprises Maharashtra occupied first rank 7551 (21.13%) followed by Gujarat 4966 (13.90%), Tamil Nadu 3181 (8.90%) Uttar Pradesh 2578 (7.21%) and Andhra Pradesh fell under 11th rank 1139 (3.19%). In all the three types of enterprises, the highest registrations took place in Maharashtra, Gujarat occupied second position in case of small and medium and Bihar come in second position in terms of micro enterprises and all three categories of units Tamil Nadu gets third place.

In Andhra Pradesh, the total number of registered units under micro enterprises 1,25, 899 of which 61,523 (48.9%) are owned by men while 64,376 (51.1%) owned by Women during 2015-16 and 2019-2020, While in Srikakulam the total micro units are accounted for 1439, both men and women owned by 1190 (82.7%) and 249 (17.3%) respectively during the same period.

Objectives

- ❖ To examine the trends and growth of Social Category wise MSMEs in India, Andhra Pradesh and Srikakulam district.
- ❖ To find out the registration of MSMEs according to social category-wise in Andhra Pradesh and in India

Methodology

The present paper used the secondary data and the data has been collected on MSMEs from different sources like Office of Development Commissioner, Micro, Small and Medium Enterprises, Government of India and Ministry of Industries, Government of Andhra Pradesh, Amaravathi. The data on MSMEs belongs to Scheduled Caste, Scheduled Tribe, Other Backward Classes and general category at the all India level, Andhra Pradesh and at the Srikakulam district.

Review of Literature

Madhu Rathore and Suman Singh (2008) have stressed the need for women entrepreneurship development for the development of women as well as nation. In recent years, there was an increasing awareness and recognition of the fact that women who formed half of the society cannot be ignored. Employment gives economic status to women. Economic status paves the way for social status. They concluded that women have the potential and the will to establish and manage enterprise on their own. What they need is encouragement and support. Government and public enterprises should offer ancillary units to women entrepreneurs. On priority basis, with the assistance of family members and government, women can join the main stream of national economy and thereby, contribute to the country's economic progress.

Sahab Singh, Gaurav Thakur and P C Gupta (2013) have assessed that micro enterprise is an effective instrument of social and economic development and a perfect solution to the growing unemployment among rural youth. It helps generate employment for a number of people within their own social system and is the best tool for rural women as it enables them to add to the family income while takes care of their own home and domestic animals centered task. Through micro – entrepreneurship women feel emancipated in so many things such as socio-economic activity, property rights, political participation, social equality, personal rights, market development, and societal development and at last development of the nation.

Bharadwaj. A, A K Pati, H Srivastava, A Panda and S Tripathy (2018) study covered the Industry located in the Mancheswar Industrial Estate of Bhubaneswar city. It is a small scale manufacturer of a wide range of polymer products in Odisha. In the manufacturing system of the industry, a lot of issues have been observed. Unavailability

of adequate workforce affects the production rate. In case of absence of regular workers the machines cannot be operated with full efficiency. Due to fluctuating demands by the clients, production quantity fluctuates due to which the company sometimes faces a longer idle time. According to their policies the industry has no standardized inventory control. The market coverage of SSIs is limited so they fall behind in the competitive market. The supply chain is also very complicated due to fluctuating demands and production which hampers the linear profit and growth of the firm. Besides these problems small scale industries face a lot of other problems like lack of financial assistance, from well established large-scale industries, poor project planning, etc. These problems prevent the SSIs to reach a prestigious stage.

Thahira KK (2017) paper revealed that the role of MSME in rural development of Malappuram district in Kerala. The numbers of units in the district were 154 in 2006 and it is increased to 512 units in 2007-08, 930 units in 2009-10 and it is increased 1628 in 2013-14. MSME helped in improving the availability of finance and assistance to industrial units in Malappuram. 80 per cent of the unit members opined that many financial schemes and subsidies are helping them in the improvement of their enterprise. Here, 19 entrepreneurial skill development programmes were conducted during 2013-14. Many employees attended and trained in each cluster of Malappuram. 85% of the unit members opined that they got all support for improvement of their units from DIC. Marketing is a serious problem faced by all small scale industries in any region. DIC gives all support for marketing of their product and to conduct fairs and exhibitions. About 40 per cent of the entrepreneurs responded that their work is profitable and 60 per cent of them were facing marketing problem.

Raj Kumar Agarwal (2017) has explained different policy changes by the Government of India relating to SSIs. In recent years, the government has been following the policy of reservation as it believes that this will help the SSIs units to upgrade their technology and improve the quality for their products. As a result of this policy, the number of items reserved for production in the SSI sector came down from 836 in July 1989 to 114 in March 2007 and subsequently to only 20 items. To ensure credit delivery to the SSI sector, a number of steps have been undertaken in recent years 'viz' raised the loan limit, collateral free loans, Laghu Udyami Credit Card (LUCC) scheme has been liberalized by enhancing the credit limit and SME fund of Rs 10,000 crore was operationalized by the SIDBI (Small Industries Development Bank of India) since April 2004. Agency or MUDRA on April 8, 2015 to fund and promote microfinance institutions (MFIs). The government has notified a public procurement policy for goods and services rendered by Micro and small enterprises (MSE) order, 2012 effective from April 1, 2012. ASPIRE was launched on March 16, 2015 with the objective of setting up a network of technology centres and incubation centres to accelerate entrepreneurship and promote start-ups for innovation and entrepreneurship in rural and agriculture based industry.

Registrations of MSMEs According to Social Category

Table 1 reveals the data on the registrations of MSMEs according to social category viz., Scheduled Caste, Scheduled Tribe, Backward Classes (BCs) and General category from 2015-16 to 2019-20. The total registrations of micro enterprises recorded at 2,74,147 of which 41.66 per cent belongs to backward classes next in order general category 33.89 per cent. Scheduled caste 18.97 per cent and Scheduled tribe 5.48 per cent in Andhra Pradesh while in India, 74,17,614 registered micro enterprises under these four social categories, more than fifty per cent of registrations done by general categories 54.76 and lowest was found among scheduled tribe 3.34 per cent. Of the total registrations 40,891 under small units, 65.59 per cent (26,822) belongs to general category and the lowest registrations among Scheduled Tribe 2.23 per cent (912) in Andhra Pradesh and this is also true in case of India. Among medium enterprises, the highest registrations done by general category 873 (76.65%) and only 18 (1.58%) by scheduled tribe in Andhra Pradesh and 29664 (8.3%) and 379 (1.06%) respectively at the all India level.

Table 1
Social Category-wise Registrations of MSMEs in Andhra Pradesh and India:
2015-16 to 2019-20

Enterprise	Social Category	ANDHRA PRADESH		INDIA	
		No.	%	No.	%
Micro	Scheduled Caste	51998	18.97	749423	10.10
	Scheduled Tribe	15030	5.48	247,644	3.34
	OBC	114205	41.66	2,359,008	31.80
	General	92914	33.89	4,061,537	54.76
	Total	274147	100.00	7417612	100.00
Small	Scheduled Caste	5467	13.37	49,317	5.38
	Scheduled Tribe	912	2.23	18,370	2.00
	OBC	7690	18.81	169,175	18.45
	General	26822	65.59	680234	74.17
	Total	40891	100.00	917,096	100.00
Medium	Scheduled Caste	50	4.39	1,341	3.75
	Scheduled Tribe	18	1.58	379	1.06
	OBC	198	17.38	4355	12.19
	General	873	76.65	29,664	83.00
	Total	1139	100.00	35,739	100.00
Total	Scheduled Caste	57515	18.19	800,081	9.56
	Scheduled Tribe	15960	5.05	266393	3.18
	OBC	122093	38.62	2,532,538	30.26
	General	120609	38.15	4,771,435	57.00
	Total	316177	100.00	8,370,447	100.00

Source: Registration of Micro, Small and Medium Enterprises (MSMEs) in India (UAM), 2019-2020

The registrations of all the three units under different social categories noted at 3, 16,177 in Andhra Pradesh and 83, 70,447 in India. According to social categories, the registrations belong to backward classes and general category indicates higher 1, 22,093 (38.62%) and 1, 20,609 (38.15%). The registrations in India were different the highest among general category 47, 71,435 (57%) and backward classes 25, 32,538 (30.26%). This reveals that at the state level the registrations of all the units were almost same among backward classes and general category but in India there was a wider difference across social groups, more than fifty per cent of units registered belongs to general category and 30.26 per cent of them among backward classes, 18 per cent and 5 per cent registrations represents Scheduled Caste and Scheduled Tribe in Andhra Pradesh while the corresponding figures were about 10 per cent and 3 per cent respectively in India. This shows that Scheduled Tribe and Scheduled Caste entrepreneurs were very few not only in Andhra Pradesh but also at the all India level.

Year-wise and Social Category-wise Registrations of MSMEs

The data on year-wise and social category-wise registration of MSMEs in Andhra Pradesh and India are presented in Table 2. In 2016-17, Scheduled Tribes have registered the highest percentage of micro enterprises 10,746 (71.50%) followed by Scheduled Castes 33,199 (63.85%), Backward Classes 71,689 (62.77%) and general category 37,850 (40.74%) for the last five years in Andhra Pradesh. In case of small units, the proportion of registrations were higher among Scheduled Caste 1139 (33.64%), Scheduled Tribe 298 (32.68%), backward classes 2256 (29.34%) and general category 7495 (27.94%) during 2018-19. The registrations pertaining to medium units, backward classes were at 89 (44.95%) in 2016-17, Scheduled Tribes 8 (44.44%) and Scheduled Castes 18 (36%) in 2019-20 and general category 227 (26%) in 2018-19 in Andhra Pradesh.

Across India, the registrations of micro enterprises were more among Schedule Castes, backward classes and Scheduled Tribes 30,4,999 (40.70%), 8,74,581 (37.07%) and 88,442 (35.71%) respectively during 2016-17 while 11,59,265 (28.54%) registrations belong to general category for the five years period. The registrations of small units, the proportions among Scheduled Tribes were higher 5,253 (28.60%) in 2019-20, Scheduled Castes 13,513

(27.40%) in 2018-19, general category 1,78,834 (26.29%) and backward classes 44,149 (26.10%) during 2018-19. The registrations of medium enterprises were reported higher among Scheduled Castes 389 (29.01%) and Scheduled Tribes 108 (28.50%) in 2019-20 and 1206 (27.69%) relating to backward classes in 2016-17 and for general category 7,978 (26.89%) in the year 2018-19 in India.

The above analysis indicates that there was a clear difference in number of units and percentages. Overall, for the last five years, the number of registered micro enterprises was more among backward classes 71,689, general category 37,850, Scheduled Castes 33,199 and lower among Scheduled Tribes 10,746 during 2016-17 in Andhra Pradesh. The highest number of registrations were found from general category 7,495 and lowest among Scheduled Tribes 648 during 2016-17 while in case of medium units, as many as 227 units registered in the name of general category in 2018-19, backward classes 89 during 2016-17, 18 and 8 units registered respectively under Scheduled castes and Scheduled Tribes during 2019-20 in Andhra Pradesh. The data show that the entrepreneurs from Scheduled Tribes were meager in number.

In India there was a considerable number of micro enterprises registered belongs to general category at 11,59,265 during 2018-19, followed by backward classes 8,74,581 Scheduled Castes 3,04,999 and scheduled Tribes 88,442 respectively during 2016-17. As many as 1,78,834 small unit were registered in the name of general category during 2018-19 while the very less number of units registered under Scheduled Tribe category 1570 during 2015-16 in India. In case of medium units, the highest number was accounted for 7,978 in 2018-19 in general category and lowest registered units among scheduled tribes 14 in 2015-16. Year-wise and social category wise data indicates that there was a wide variation across social groups in the registration of micro, small and medium enterprises in Andhra Pradesh as well as in India. The two social groups viz., Scheduled Tribes and Scheduled Castes have not compete with general and backward classes at all in establishment of enterprises either at the state level or at all India level.



Table 2
Year and Social Category-wise Registrations of MSMEs in Andhra Pradesh and India:
2015-16 to 2019-20

Year	ANDHRA PRADESH - Micro								Total
	SC		ST		OBC		GENERAL		
	No.	%	No.	%	No.	%	No.	%	
2015-16	643	1.24	104	0.69	2015	1.76	3407	3.67	6169
2016-17	33199	63.85	10746	71.50	71689	62.77	37850	40.74	153484
2017-18	9733	18.72	2531	16.84	18011	15.77	16058	17.28	46333
2018-19	4304	8.28	792	5.27	8108	7.10	13098	14.10	26302
2019-20	4119	7.92	857	5.70	14382	12.59	22501	24.22	41859
Total	51998	100.00	15030	100.00	114205	100.00	92914	100.00	274147
	Small								
2015-16	497	9.09	64	7.02	706	9.18	2192	8.17	3459
2016-17	1104	20.19	154	16.89	1451	18.87	5167	19.26	7876
2017-18	998	18.25	202	22.15	1359	17.67	5404	20.15	7963
2018-19	1839	33.64	298	32.68	2256	29.34	7495	27.94	11888
2019-20	1029	18.82	194	21.27	1918	24.94	6564	24.47	9705
Total	5467	100.00	912	100.00	7690	100.00	26822	100.00	40891
	Medium								
2015-16	2	4.00	0	0.00	18	9.09	80	9.16	100
2016-17	9	18.00	3	16.67	89	44.95	195	22.34	296
2017-18	7	14.00	4	22.22	32	16.16	178	20.39	221
2018-19	14	28.00	3	16.67	41	20.71	227	26.00	285
2019-20	18	36.00	8	44.44	18	9.09	193	22.11	237
Total	50	100.00	18	100.00	198	100.00	873	100.00	1139
	INDIA								
	Micro								
	SC		ST		OBC		GENERAL		Total
2015-16	43,791	5.84	14,100	5.69	155,968	6.61	207,657	5.11	421,516
2016-17	304,999	40.70	88,442	35.71	874,581	37.07	879,886	21.66	2147,908
2017-18	127,409	17.00	46,271	18.68	401,285	17.01	769,647	18.95	1,344,612
2018-19	154,033	20.55	55,711	22.50	501,923	21.28	1,159,265	28.54	1,870,932
2019-20	119,191	15.90	43,120	17.41	425,251	18.03	1,045,082	25.73	1,632,644
Total	749,423	100.00	247,644	100.00	2,359,008	100.00	4,061,537	100.00	7,417,612
	Small								
2015-16	4,898	9.93	1,570	8.55	11,835	7.00	52,563	7.73	70,866
2016-17	12,036	24.41	3,673	19.99	39,894	23.58	160,955	23.66	216,558
2017-18	9,204	18.66	3,183	17.33	30,478	18.02	123,394	18.14	166,259
2018-19	13,513	27.40	4,691	25.54	44,149	26.10	178,834	26.29	241,187
2019-20	9,666	19.60	5,253	28.60	42,819	25.31	164,488	24.18	222,226
Total	49,317	100.00	18,370	100.00	1,69,175	100.00	6,80,234	100.00	9,17,096
	Medium								
2015-16	60	4.47	14	3.69	269	6.18	2,288	7.71	2,631
2016-17	362	26.99	82	21.64	1,206	27.69	6,942	23.40	8,592
2017-18	194	14.47	75	19.79	763	17.52	5,552	18.72	6,584
2018-19	336	25.06	100	26.39	1,012	23.24	7,978	26.89	9,426
2019-20	389	29.01	108	28.50	1,105	25.37	6,904	23.27	8,506
Total	1,341	100.00	379	100.00	4,355	100.00	29,664	100.00	35,739

Source: As ex ante

Social Category & Year-wise Registrations of MSMEs in Srikakulam District

Table 3 show that the registrations of MSMEs according to caste groups in Srikakulam district during 2015-16 to 2019-20. The registrations of micro were reported higher for OBCs and for general category during the entire period. The percentage of registrations of micro enterprises represents OBCs were 200 (71.9%), 185 (61.7%), 131 (53.3%), 137 (61.2%) and 79 (54.1%) respectively for the year 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20,

while those figures for general category were 63 (22.7%), 88 (29.3%), 103 (41.9%) 66 (29.5%) and 65 (44.5%) for the same period. This is also true in case of the registrations of small enterprises. Another interesting observation was that cent per cent of the medium enterprises registered under general category and no single enterprise registered in any other social category.

The concluding observation that the total registrations of MSMEs under different social category reveals that the registration of micro and small enterprises accounted for higher among OBCs (61.3% and 53.8%) and general category (32.2% and 40%) and very few and meager number in case of scheduled caste and scheduled tribes. On the whole, as many as 2017 enterprises, 1166 i.e., 57.8 per cent of enterprises come under OBCs followed by general category 724 (35.9%) between 2015-16 and 2019-20. This clearly show that there were wide variations in the registrations of MSMEs under different social categories in the district.

Table 3
Social Category & Year-wise Registrations of MSMEs in
Srikakulam District: 2015-16 to 2019-20

Social Category	2015-16		2016-17		2017-18		2018-19		2019-20		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Micro												
Scheduled Caste	10	3.6	20	6.7	11	4.5	15	6.7	2	1.4	58	4.9
Scheduled Tribe	5	1.8	7	2.3	1	0.4	6	2.7	0	0.0	19	1.6
OBC	200	71.9	185	61.7	131	53.3	137	61.2	79	54.1	732	61.3
General	63	22.7	88	29.3	103	41.9	66	29.5	65	44.5	385	32.2
Total	278	100.0	300	100.0	246	100.0	224	100.0	146	100.0	1194	100.0
Small												
Scheduled Caste	10	6.3	12	5.4	2	1.1	9	6.0	3	3.0	36	4.5
Scheduled Tribe	5	3.1	3	1.4	1	0.6	5	3.3	0	0.0	14	1.7
OBC	85	53.5	156	70.6	58	33.0	84	55.6	51	51.5	434	53.8
General	59	37.1	50	22.6	115	65.3	53	35.1	45	45.5	322	40.0
Total	159	100.0	221	100.0	176	100.0	151	100.0	99	100.0	806	100.0
Medium												
Scheduled Caste	0	0.0	0	0.0	0	0.0	0	0.0	0	0	0	0.0
Scheduled Tribe	0	0.0	0	0.0	0	0.0	0	0.0	0	0	0	0.0
OBC	0	0.0	0	0.0	0	0.0	0	0.0	0	0	0	0.0
General	2	100.0	10	100.0	4	100.0	1	100.0	0	0	17	100.0
Total	2	100.0	10	100.0	4	100.0	1	100.0	0	0	17	100.0
Total												
Scheduled Caste	20	4.6	32	6.0	13	3.1	24	6.4	5	2.0	94	4.7
Scheduled Tribe	10	2.3	10	1.9	2	0.5	11	2.9	0	0.0	33	1.6
OBC	285	64.9	341	64.2	189	44.4	221	58.8	130	53.1	1166	57.8
General	124	28.2	148	27.9	222	52.1	120	31.9	110	44.9	724	35.9
Total	439	100.0	531	100.0	426	100.0	376	100.0	245	100.0	2017	100.0

Source: As ex ante

Conclusion

In Andhra Pradesh, the registrations of the three enterprises were almost similar among backward classes and general category whereas wide variations across different social groups in India. The registrations of MSMEs under different social category were found to be not uniform in the district. District Industries Centres (DICs) have to be geared up to organise massive awareness programmes for Scheduled Caste, and Scheduled Tribes in exploring the possibility of helping them start new enterprises. They have to be given not only initial capital but also help in managing and marketing their products. In order to encourage them towards setting up of enterprises the subsidy amount should be increased and at the same time the subsidy should be linked to the promptness of the repayment.

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