

Project Report On
**(THE ROLE OF SMALL SCALE ENTERPRISES IN SOLVING THE
UNEMPLOYMENT PROBLEM)**

Submitted by
(SANIKA SHIRISH JOSHI)

Roll NO: 211

Submitted to



**UNIVERSITY OF MUMBAI
MASTER OF COMMERCE
(MANAGEMENT)**

Semester- III / IV

(2020–21)

Project Guidance by

Professor: **(DIPIKA GUPTA)**



**UTTARI BHARTI SABHA'S
RAMANAND ARYA D.A.V COLLEGE OF COMMERCE AND SCIENCE
DATAR COLONY, BHANDUP (EAST)**

Ramanand Arya D.A.V. College

Bhandup (East) Mumbai 400042

Certificate

This is to certify that (**SANIKA SHIRISH JOSHI**) has worked and duly completed his/her Project Work for the degree of Master in Commerce under the Faculty of Commerce in the subject of (**ENTERPRENEURSHIP MANAGEMNT**) and his/her project is entitled, (**THE ROLE OF SMALL SCALE ENTERPRISES IN SOLVING UNEMPLOYMENT PROBLEM**) under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his/her own work and facts reported by her/his personal findings and investigations.

Co-ordinator:

Principal:

DR. AJAY M. BHAMARE

Project Guide/Internal Examiner:

External Examiner:

RamanandArya D.A.V. College

Bhandup (East) Mumbai 400042

Declaration by learner

I, the undersigned (**SANIKA SHIRISH JOSHI**) declare that the work embodied in this project work hereby, titled (**THE ROLE OF SMALL SCALE ENTERPRISES IN SOLVING UNEMPLOYMENT PROBLEM**), forms my own contribution to the research work carried out under the guidance of (**PROF.DIPIKA GUPTA**) is a result of my own research work and has not been previously submitted to any other University for any other Degree to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Name of the learner: Sanika Shirish Joshi

Signature: S. Joshi

Certified by

Name of the Guiding Teacher:

Signature:

Acknowledgment

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me chance to do this project.

I would like to thank my **Principal, Dr. Ajay M. Bhamare** for providing the necessary facilities required for completion of this project.

I take this opportunity to thank our **Coordinator (PROF.DIPIKA GUPTA)**, for her moral support and guidance.

I would also like to express my sincere gratitude towards my project guide (**PROF. DIPIKA GUPTA**) whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

Signature of the Student

(SANIKA SHIRISH JOSHI)

Abstract

This study investigated “The role of small scale enterprises in solving unemployment problem”. Specifically, to gain the knowledge and to examine the role of small scale enterprises in development of strategies, new indigenous technological capabilities and solving unemployment problem. As current COVID- 19 scenario motivated youth to start their own business, weather the government policies in India have been favorable to the establishment of the small scale enterprises and suggest ways by which these problems could be tackled in order to improve condition of small scale enterprises/industries in India.

CONTENTS

SR. NO	CHAPTERISATION		PAGE NO
CHAPTER I	PREAMBLE		8-18
1	INTRODUCTION		8
	1.1	Entrepreneur	8
	1.2	Entrepreneurship Management	9
	1.3	Small Scale Enterprises	11
	1.4	Role of small scale enterprises in solving unemployment problem	18
2	OBJECTIVE		21
3	HYPOTHESIS		22
4	IMPORTANCE AND SCOPE OF STUDY		23 - 33
CHAPTER II	THE PROBLEM		34- 37
	INTRODUCTION AND EXPLANATION		
CHAPTER III	LITRETURE REVIEW		38-40
CHAPTER IV	DATA COLLECTION AND ANALYSIS		41-47
1	INTRODUCTION TO PRIMARY DATA		
	1.1	Distribution of MSME in Dombivli	43
	1.2	MSME actual beneficiary rate in Dombivli	43
	1.3	Employment generation in 2019-20	44
	1.4	Unemployment occur after COVID-19 crisis	45
2	INTRODUCTION TO SECONDARY DATA		46-47
	2.1	Estimated employment of MSME sector for year 2019-20	46
	2.2	Distribution of employment in rural and urban areas for year 2019-20	47
	2.3	Distribution of MSME - State wise for year 2019-20	47

CHAPTER V	CONCLUSION	48
CHAPTER VI	SUGGESTIONS AND SCOPE	49-51
	REFERENCES	51-52

CHAPTER I - PREAMBLE

1. INTRODUCTION

1.1 Entrepreneur

An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.

The word “entrepreneur” has its origin in the French word “Enterprendre”, which means “to undertake”. The early Frenchmen who led military expeditions were called entrepreneurs; it was Mr. Cantillon, the French Economist, who first applied the term in the eighteenth century to a merchant who purchased the means of production to combine them effectively into saleable products. J.B. Say, another French Economist, projected the entrepreneur as a person who organized the business activity consisting of production and distribution. John Schumpeter gave considerable importance to entrepreneurship in the process of economic development of a country.

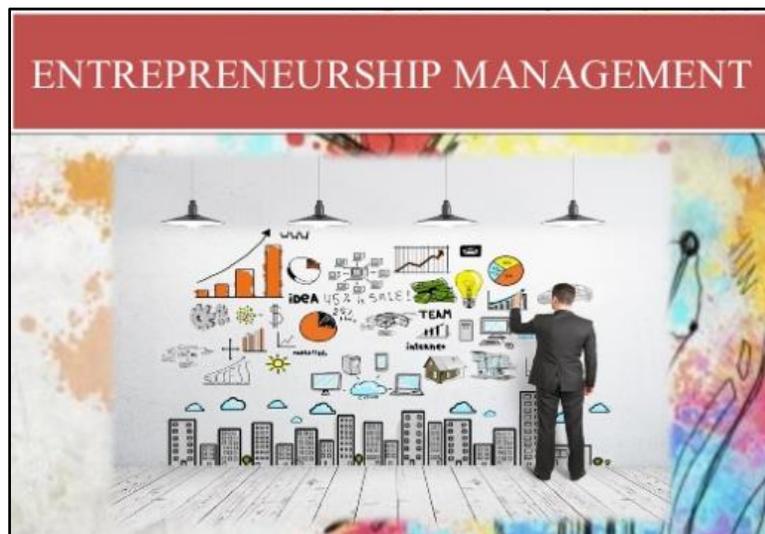
The entrepreneur is understood as a person who owns the business which he has started (often a small), bears risks involved in the process of starting it and in running it, innovates and provides leadership to the venture he runs. He is so attached to the business venture that the progress of the business is intricately linked with his own personal development.

Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs and bring good new ideas to market. Entrepreneurs who prove to be successful in taking on the risks of a startup are rewarded with profits, fame, and continued growth opportunities. Those who fail suffer losses and become less prevalent in the markets.

1.2 Entrepreneurship Management

It is defined that “Entrepreneurial management as the practice of taking entrepreneurial knowledge and utilizing it for increasing the effectiveness of new business venturing as well as small- and medium-sized businesses.”

The modern concept of Entrepreneurship Management is often used to signify that even managers working for a master can (and should) innovate and take decisions involving risks and uncertainties in the same way as entrepreneurs are supposed to do. Only then will the organizations they belong to will grow. And to bring in a sense of involvement and commitment on the part of managers working in corporate organizations systems of compensation and rewards like stock option plans are created to evoke from the managers the right responses through such incentives.



Entrepreneurship Management is the most important part of management, especially for those enthusiastic people who have an idea of a start-up. It is treated as one of the most important studies because entrepreneurship is one of the top trending topics of the 21st Century.

Entrepreneurs can be Managers but Managers can never be entrepreneurs. Entrepreneurs are people who love freedom and have a dream. They work independently on their dreams by riding

all the ups and down for achieving their goals. They are the type of people who can employ a number of managers.

Managers are people who are mostly employees of companies and are focused on the task that they are allocated. Their growth is restricted since they are working for a company and are liable for a pay that the company decides.

Now looking at the similarities and assuming that an Entrepreneur becomes a manager due to certain circumstances then he will try to implement new ideas experiment and look for the best practices. He focuses on creating a healthy work environment by teaching coworkers new techniques, willing to help, try to complete the task before timeline and much more.

The above functions can be expected from today's days manager also but the attitude of work changes.

Entrepreneurs try to complete their task early and spend their spare time in working for their vision. Once they feel that it's time for them to focus full time on their vision then they quit and start working towards their goals.

1.3 Small Scale Enterprises/ Industry

Essentially the small scale industries are generally comprised of those industries which manufacture, produce and render services with the help of small machines and less manpower. These enterprises must fall under the guidelines, set by the Government of India.

The Small scale enterprises/industries are the lifeline of the economy, especially in developing countries like India. These industries are generally labour-intensive, and hence they play an important role in the creation of employment. Small scale enterprises/industries are a crucial sector of the economy both from a financial and social point of view, as they help with the per capita income and resource utilization in the economy.



Small scale industries contribute significantly to the development process and acts as a vital link in the industrialization in terms of production, employment and exports for economic prosperity by widening entrepreneurial base and use of local raw materials and indigenous skills. Small scale industries dominate the industrial scenario in the country with sizeable proportion of labour force and tremendous export potential. In India, the 'village and small industries sector' consists of both 'traditional' and 'modern' small industries.. 2020-21 208 Business studies and village industries, small scale industries and power looms. The last two come under the modern small industries, while the others come under traditional industries. Village and small industries together provide the largest employment opportunities in India.

Small and medium-sized enterprises (SMEs) are non-subsiary, independent firms which employ less than a given number of employees. This number varies across countries. Small firms

are generally those with fewer than 50 employees, while micro-enterprises have at most 10, or in some cases 5, workers

Small scale industries are labour intensive yet require little capital. Small scale industries can be either manufacturing industries or service providers. Small scale industries comprise of small enterprises that manufacture goods or provide services with the help of smaller machines and a few workers and employees.

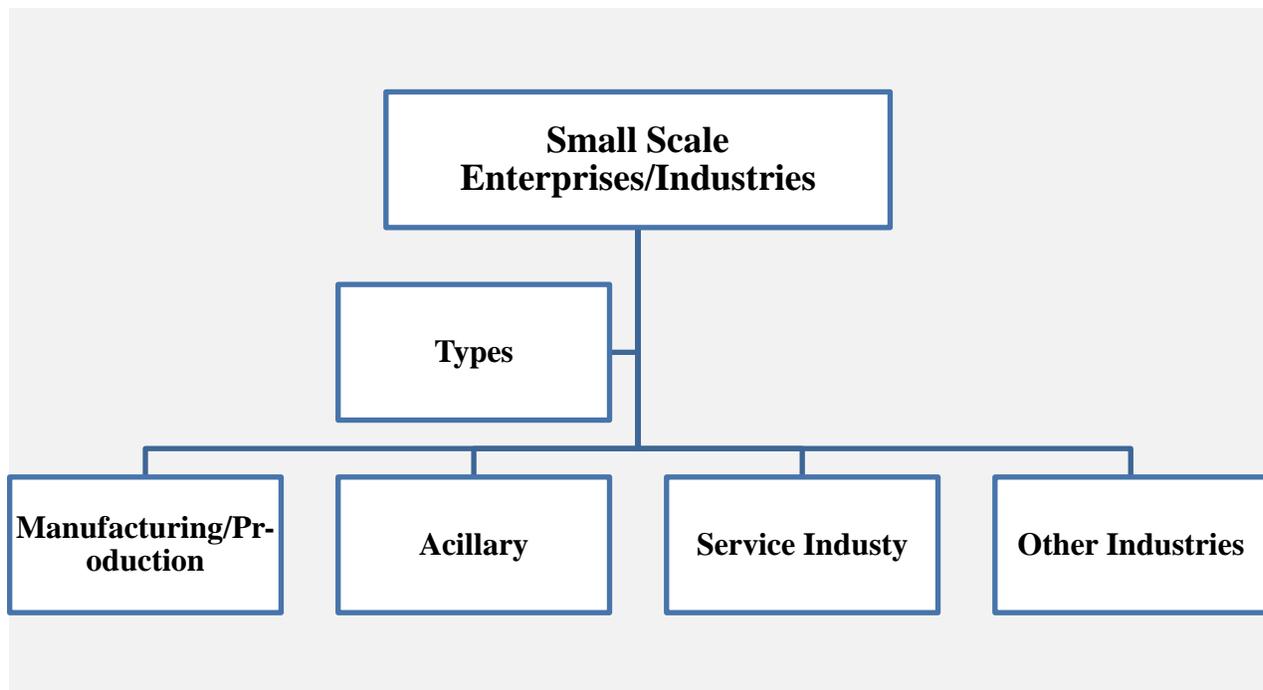
The enterprise must fall under the guidelines set by the Government of India. Small scale industries in India are the lifeline of the Indian economy, and they offer several job opportunities for skilled labors. After all, small scale industries are essential for the economy from a financial and social point of view. For a developing country like India, these industries bloom because of huge demand and opportunity. Some small scale industries are also exporting goods, thereby bringing foreign currencies in India. In India, nearly half of the products (45-55%) shipped are from Small scale and mid-scale industries. Some small scale industries are created because of the demand of vendors for multinational companies.

1.3.1 Types of Small Scale Business:-

It is important to know how size is defined in our country, with reference to small industries and small business establishments. Several parameters can be used to measure the size of business units. These include the number of persons employed in business, capital invested in business, volume of output or value of output of business and power consumed for business activities. However, there is no parameter which is without limitations. Depending on the need, the measures can vary. The definition used by the Government of India to describe small industries is based on the investment in plant and machinery. This measure seeks to keep in view the socioeconomic environment in India where capital is scarce and labour is abundant. The emergence of a large services sector has necessitated the government to include other enterprises covering both Small Scale Industries (SSI) sector and related service entities under the same umbrella. Expansion of

the small scale enterprises was taking place growing into medium scale enterprises and they were required to adopt higher levels of technologies in order to remain

Competitive in a fast globalizing world. Thus, it was necessary to address the concerns of such enterprises micro, small and medium and provide them with a single legal framework. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 addresses these issues relating to definition, credit, marketing and technology up gradation. Medium scale enterprises and service related enterprises also come under the purview of this Act. The MSMED Act, 2006 came into force w.e.f., October, 2006. Accordingly, enterprises are classified into two major categories viz., manufacturing and services.



1.3.1.1 **Ancillary Industries:** Big companies or MNC manufactures finished goods, but they don't generally make all the parts themselves. Vendors of these companies are ancillary industries. Ancillary industries can also be identified as those companies which makes machines for multinational companies or medium scale industries

1.3.1.2 **Service Industries:** Repair shops and maintenance industries comes under the category of service industries. In the case of enterprises engaged in providing or rendering of services there are three types of enterprises:

- (i) **Micro enterprise:** where the investment in equipment does not exceed ten lakh rupees.
- (ii) **Small enterprise:** where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees.
- (iii) **Medium enterprise:** where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

1.3.1.3 **Other Industries:** Other than these types of industries, there are feeder industries and mining or quarries. And following industries:

- (i) **Village Industries** Village industry has been defined as any industry located in a rural area which produces any goods, renders any service with or without the use of power and in which the fixed capital investment per head or artisan or worker is specified by the central government, from time to time.

For better understanding of village industries refer following diagram:

Village Industries Employment has grown from previous year, from 135.71 Lakh Artisans in 2017 – 18 to 142.03 Lakh Artisans in 2018 – 19 (Provisional).

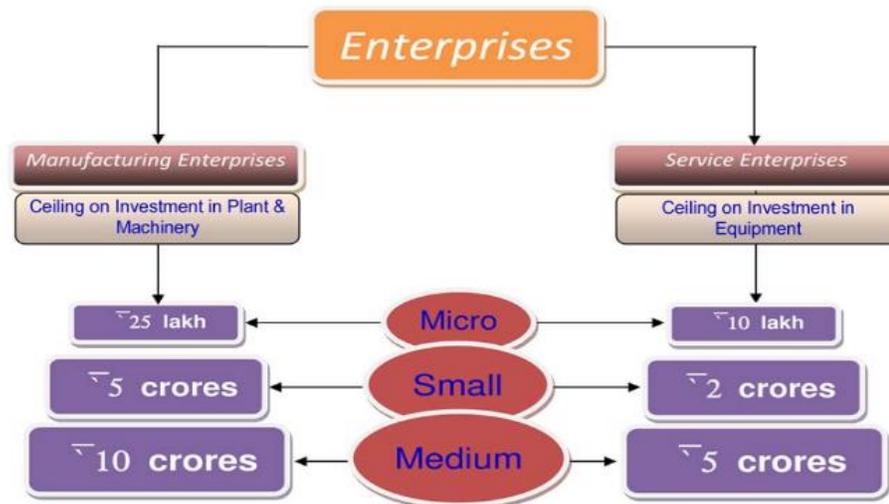
YEAR	EMPLOYMENT
2014 - 15	123.19 #
2015 - 16	126.76 #
2016 - 17	131.84
2017 - 18	135.71
2018 - 19	142.03

(ii) **Cottage Industries** Cottage industries are also known as Rural Industries or Traditional Industries. They are not defined by capital investment criteria as in the case of other small scale industries. However, cottage industries are characterized by certain features like the following:

- these are organized by individuals, with private resources;
- normally use family labour and locally available talent;
- the equipment used is simple;
- capital investment is small;
- produce simple products, normally in their own premises;
- Production of goods using indigenous technology.

There are government bodies set up for the welfare of the member of small scale industries. Ministry of small scale industries designs policies, schemes and program to promote the small scale industries. Ministry of Agro and rural industries coordinate and help in the development of villages and khadi industries, micro and tiny industries in rural and urban areas.

For better understanding refer following diagram:



Some examples of small scale industries are: Industries like leather manufacturers, bakeries, photo studios, parlors and the like come under small scale industries. Agarbatti making, Chalk

making, Biodiesel production, Sugar candy manufacturing, Wood making, Rice mill, Potato chips making, Toys making, Microbrewery, Liquid soap making, Honey processing, Slippers making, Detergent powder making, Fruit juice production plant, Spices making, and Chocolate making.

1.3.2 Ownership of Enterprises in India for 2019-20

Out of 633.88 MSMEs, there were 608.41 lakh (95.98%) MSMEs were proprietary concerns. There was dominance of male in ownership of proprietary MSMEs. Thus, for proprietary MSMEs as a whole, male owned 79.63% of enterprises as compared to 20.37% owned by female. There was no significant deviation in this pattern in urban and rural areas, although the dominance of male owned enterprises was slightly more pronounced in urban areas compared to rural areas (81.58% as compared to 77.76%).

Percentage distribution of enterprises owned by Male/ Female entrepreneurs wise:

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

1.3.3 Nature of “Small Scale Industries” is as follows:-

1. The business is organized by individuals in the private sector.
2. The use of family labour and locally available talent is made.
3. Simple equipment's are used.
4. Capital investment is small, generally restricted to one crore.
5. The 'use of indigenous technology.

6. Businesses can be classified on the basis of size into small, medium and large scale businesses.
7. Small business has its own problems and they need some special help from Government to survive in the market.

A small scale unit is normally a one-man show and even in the case of a partnership the activities are mainly carried out by the active partner and the rest are sleeping partners. The area of operation of small units is localized, catering to the local or regional demand. Small industries are fairly intensive with comparatively smaller capital investment than the larger units. Therefore, these units are more suited for economics where capital is scarce, and there is an abundant supply of labor. The Ministry of Small Scale Industries has now merged with the Ministry of Agro and Rural Industries to form the Ministry of Micro, Small, and Medium Enterprises (MSME).

1.4 Role of small scale enterprises in solving unemployment problem

This research study focused on the solving of unemployment problems through the establishment of small scale business. The study is trying to look into how the unemployment problems can be solved by introducing small scale enterprise, which can be managed by using small or little capital.

The small scale industries (SSIs) form the bedrock of the economic growth in every nation. No country achieves a viable economic growth and development without the establishment of small scale business firms. They have always been in the forefront of development strategies. This is because of the great role industries play in terms of production activities, employment generation and the overall improvement in the quality of life.



The saying is that a small business requires at least one man who is not engaged in any other financial work required. Although it's true that small scale business create job opportunity and facilitate the economy of the nation still confirmed to the large scale business. Moreover, small-scale business is known also to have certain indispensable, which differentiate them from large-scale business. Finally the main point for measuring what constitutes a small-scale business attract the following, as to continue; Since they are small in nature, most of them are normally small in size and occupies a small share market. It's characterizes by one man management, it is

owner domination, that is Purism of ownership and control. They owner management participates activity in all level of decision. Making a day-to-day operation and management of the business. In small scale business as a one man business, the information is known to come from the owner to the workers and feedback is encouraged effectively. They are always polite by the sole proprietorship who does not want to go into partnership with others i.e. they are ruled solely. Most of them in these case due to the type of their business, they search for cheap labour to do work for them, so that they can pay at the end of the day. Due to the nature and size. They normally have small invested able capital to run their business. Some illustrations of small business are small-scale poultry farming, Fashion and hair dressing, phone called business etc.

SSI's playing a major role in eradication of unemployment and poverty problem to some extent. As the income level of individual rises, the saving also increases which result in investment and due to this investment new industries will set up. It reduces the level of unemployment.

The economic and labour crisis created by the COVID-19 pandemic could increase global unemployment by almost 25 million, according to a new assessment by the International Labour Organization (ILO).

These measures include extending social protection, supporting employment retention (i.e. short-time work, paid leave, other subsidies), and financial and tax relief, including for micro, small and medium-sized enterprises. In addition, the note proposes fiscal and monetary policy measures, and lending and financial support for specific small scale sectors.

Evidence of Indian labor market segmentation is widely available—with a small percentage of workers being employed formally, while the lion's share of households relies on income from self-employment or precarious jobs without recourse to rights stipulated by labor regulations. Only about 10 percent of the workforce is formal with safe working conditions and social security. Perversely, modern-sector employment is becoming “in formalized,” through outsourcing or hiring without direct contracts. The share of formal employment in the modern sector fell from 52 percent in 2005 to 45 percent in 2012. During this period. The outbreak of COVID-19 brought social and economic life to a standstill. In this study the focus is on assessing the impact on affected sectors, such as aviation, tourism, retail, capital markets, MSMEs, and oil.

The crisis witnessed a horrifying mass exodus of such floating population of migrants on foot, amidst countrywide lockdown. Their worries primarily were loss of job, daily ration, and absence of a social security net. India must rethink on her development paradigm and make it more inclusive. COVID 19 has also provided some unique opportunities to India. There is an opportunity to participate in global supply chains, multinationals are losing trust in China. To 'Make in India', some reforms are needed, labour reforms being one of them.

Micro, Medium and Small scale industries face a higher risk of shutting down their production due to cash flow constraints. All India Manufacturers association reported that 43 percent of the MSMEs will cease to operate with the lockdown extension. Around 99 percent of the MSMEs are dominated by Micro enterprises in which labour intensive production units are already under stress with restricted labour movements. Finance minister's attempt at redefining MSME by including businesses with higher investment and turnover does not address the main problem of majority of unregistered micro enterprises shutting down due to less or nil operating capital.

A total of 114 million people are employed in MSMEs and the shortage in working capital as a consequence of the lockdown would drive most businesses out of the market. Furthermore, an extended demand shock would curb the production and supply, as a result of which small industries with limited capital will most likely shut down. Additionally, 86 percent of the enterprises are unregistered and 71 percent of laborers have no written job contracts.

Currently estimated to be 27.11 percent. The share of MSME exports is valued at \$147.7 billion—showing an impressive jump from the previous value at \$75 billion. The small number of exporting businesses will be clamped down due to insufficient liquidity especially with weak global demand. Hence, the policy must focus on balancing to keep the interest rates low in the long run and enhance discretionary spending to boost investors' confidence. One of the six measures announced by the government is to protect the local MSMEs from unfair foreign competition. Pursuing a protectionist policy in the business sector before the recovery of domestic demand.

2. OBJECTIVES

1. To study the sudden growth of “Small scale enterprises/Industry”
2. To study the progress of solving unemployment problem.
3. To study the new opportunities created by self-employed small scale business in unemployment community.
4. To study the impact of SSI on poverty line and for improving lifestyle.
5. To analyze financial assistance provided by Indian Government. To small scale business.
6. To study the new policies invented to support and for the growth of new small scale businesses.
7. To study the problem faced by small scale units and suggest measures.
8. To study the important's of Small scale business in the current scenario of unemployment in youth after pandemic.
9. To study the role of small scale enterprises in the growth of Indian economy.

3. HYPOTHESIS

1. Small scale enterprises significantly contributing to job creations.
2. The operation of small scale enterprises is significantly contributing to improvement in the standard of living.
3. Small scale enterprises are making significant impact on poverty alleviation.
4. Indian Government significantly supports the growth of small scale enterprises by developing new policies.
5. A small scale enterprise significantly contributes for the growth of Indian economy.
6. Contribution of women small scale entrepreneur to Indian economy.

4. IMPORTANTS AND SCOPE OF STUDIES

Every small-scale industry plays a big role in the Indian economy. Apart from providing employment to crore's of people, it has the added benefit of minimum capital requirements. The government also offers several tax benefits to SSI for this purpose.

Furthermore, they can exist in urban as well as rural areas. Small Scale Industries have been able to compete with large-scale industries and multinational corporations because of this. Due to reasons like these, they are of great importance.

Small scale industries are important because it helps in increasing employment and economic development of India. It improves the growth of the country by increasing urban and rural growth. Small scale industries play an important role for the development of Indian economy in many ways. About 60 to 70 percent of the total innovations in India comes from the SSIs. Many of the big businesses today were all started small and then nurtured into big businesses. The roles of SSIs in economic development of the country are briefly explained below.

Following points are explaining the important's of Small scale business:-

1. Small Scale Industries Provides Employment

SSI uses labour intensive techniques. Hence, it provides employment opportunities to a large number of people. Thus, it reduces the unemployment problem to a great extent.

SSI provides employment to artisans, technically qualified persons and professionals. It also provides employment opportunities to people engaged in traditional arts in India. SSI accounts for employment of people in rural sector and unorganized sector. It provides employment to skilled and unskilled people in India. The employment capital ratio is high for the SSI.

Small and medium industries are also known as small and medium scale enterprises. The small and medium enterprise contributes 45% to the national economy of the total output and 40 %to

the total export of the country. SME sector represents over 90% of enterprises in the most of developing countries. The World Bank Group approved more than \$10 billion in SME support program. To accelerate growth and reduce poverty international agencies and the World Bank Group provides large assistance to small and medium enterprises in developing countries. To the economic growth promoting equitable development micro, small and medium enterprises have been accepted as engine of generating employment growth. Major share of industrial production and export are credited by small and medium industrial sector in most of the countries.

2. SSI Facilitates Women Entrepreneur Growth

It provides employment opportunities to women in India. It promotes entrepreneurial skills

Ministry of Micro, Small & Medium Enterprises, popularly known as the engine of growth in the country and incubators of entrepreneurship has emerged as the torchbearers of women empowerment on a global platform. Last year, on the eve of International Women's day 2018, Ministry of MSME launched Udyam Sakhi, a network for nurturing social entrepreneurship creating business models revolving around low-cost products and services to resolve social inequities. The portal cater needs of around 8 million Indian women who have started or running their own businesses through its platform for entrepreneurship learning tools, incubation facility, training programs for fundraising, providing mentors, one-on-one investor meet, provide market survey facility and technical assistance. To put it in nutshell, it can be easily inferred that Indian Government has been incessantly involved in revolutionizing the role of women outside the four walls of their home. Women, nowadays, take risks, trust their vision and settle for nothing less.

Ministry of Micro, small & Medium Enterprises provides following schemes for women entrepreneur:

1) Bharatiya Mahila Bank (BMB) business loan:

2) Annapurna scheme:

- 3) Stree shakti Package:
- 4) Orient mahila vikas yojana scheme
- 5) Dena shakti scheme
- 6) Udyogini scheme
- 7) Cent kalyani scheme
- 8) Mahila udyam nidhi scheme
- 9) Mudra yojana scheme for women

3. SSI Brings Balanced Regional Development

SSI promotes decentralized development of industries as most of the small scale industries are set up in backward and rural areas.

It removes regional disparities by industrializing rural and backward areas and brings balanced regional development. It promotes urban and rural growth in India.

It helps to reduce the problems of congestion, slums, sanitation and pollution in cities by providing employment and income to people living in rural areas.

It plays an important role by initiating the government to build the infrastructural facilities in rural areas. It helps in improving the standard of living of people residing in suburban and rural areas in India.

The entrepreneurial talent is tapped in different regions and the income is also distributed instead of being concentrated in the hands of a few individuals or business families.

4. SSI Helps in Mobilization of Local Resources

It helps to mobilize and utilize local resources like small savings, entrepreneurial talent, etc., of the entrepreneurs, which might otherwise remain idle and unutilized. Thus it helps in effective utilization of resources.

It paves way for promoting traditional family skills and handicrafts. There is a great demand for handicraft goods in foreign countries. It helps to improve the growth of local entrepreneurs and self-employed professionals in small towns and villages in India.

5. SSI Paves for Optimization of Capital

SSI requires less capital per unit of output. It provides quick return on investment due to shorter gestation period. The payback period is quite short in small scale industries.

SSI functions as a stabilizing force by providing high output capital ratio as well as high employment capital ratio. It encourages the people living in rural areas and small towns to mobilize savings and channelize them into industrial activities.

6. SSI Promotes Exports

SSI does not require sophisticated machinery. Hence, it is not necessary to import the machines from abroad. On the other hand, there is a great demand for goods produced by small scale sector. Thus it reduces the pressure on the country's balance of payments.

SSI earns valuable foreign exchange through exports from India.

7. SSI Complements Large Scale Industries

SSI plays a complementary role to large scale sector and supports the large scale industries.

SSI provides parts, components, accessories to large scale industries and meets the requirements of large scale industries through setting up units near the large scale units.

It serves as ancillaries to large Scale units.

8. SSI Meets Consumer Demands

SSI produces wide range of products required by consumers in India.

SSI meets the demand of the consumers without creating a shortage for goods. Hence, it serves as an anti-inflationary force by providing goods of daily use.

9. SSI Ensures Social Advantage

SSI helps in the development of the society by reducing concentration of income and wealth in few hands. SSI provides employment to people and pave for independent living.

SSI helps the people living in rural and backward sector to participate in the process of development. It encourages democracy and self-governance.

10. Develops Entrepreneurship

It helps to develop a class of entrepreneurs in the society. It helps the job seekers to turn out as job givers. It promotes self-employment and spirit of self-reliance in the society.

Development of small scale industries helps to increase the per capita income of India in various ways. It facilitates development of backward areas and weaker sections of the society.

Small Scale Industries are adept in distributing national income in more efficient and equitable manner among the various participants of the society.

Here are the few points on the scopes of small scale industries:-

1. The contribution of small industries to the balanced regional development of our country is noteworthy. Small industries in India account for 95 per cent of the industrial units in the country.
2. Small industries are the second largest employers of human resources, after agriculture. They generate more number of employment opportunities per unit of capital invested compared to large industries. They are, therefore, considered to be more labour intensive and less capital intensive. This is a boon for a labour surplus country like India.
3. Small industries in our country supply an enormous variety of products which include mass consumption goods, readymade garments, hosiery goods, stationery items, soaps and detergents, domestic utensils, leather, plastic and rubber goods, processed foods and vegetables, wood and steel furniture, paints, varnishes, safety matches, etc. Among the sophisticated items manufactured are electric and electronic goods like televisions, calculators, electro-medical equipment, electronic teaching aids like overhead projectors, air conditioning equipment, drugs and pharmaceuticals, agricultural tools and equipment and several other engineering products. A special mention should be made of handlooms, handicrafts and other products from traditional village industries in view of their export value
4. Small industries which produce simple products using simple technologies and depend on locally available resources both material and labour can be set up anywhere in the country. Since they can be widely spread without any locational constraints, the benefits of industrialization can be reaped by every region. They, thus, contribute significantly to the balanced development of the country.
5. Small industries provide ample opportunity for entrepreneurship. The latent skills and talents of people can be channeled into business ideas which can be converted into reality with little capital investment and almost nil formalities to start a small business.

6. Small industries also enjoy the advantage of low cost of production. Locally available resources are less expensive. Establishment and running costs of small industries are on the lower side because of low overhead expenses. In fact, the low cost of production which small industries enjoy is their competitive strength.
7. Due to the small size of the organizations, quick and timely decisions can be taken without consulting many people as it happens in large sized organizations. New business opportunities can be captured at the right time.

Improve the scope of small scale business by developing new government schemes and policies by Indian government, following information explains:

- **Government Assistance to “small scale enterprises”**

Keeping in view the contribution of small business to employment generation, balanced regional development of the country, and promotion of exports, the Government of India's policy thrust has been on establishing, promoting and developing the small business sector, particularly the rural industries and the cottage and village industries in backward areas. Governments both at the central and state level have been actively participating in promoting self-employment opportunities in rural areas by providing assistance in respect of infrastructure, finance, technology, training, raw materials, and marketing. The various policies and schemes of Government assistance for the development of rural industries insist on the utilization of local resources and raw materials and locally available manpower. These are translated into action through various agencies, departments, corporations, etc., all coming under the purview of the industries department.

Under the Chairmanship of Hon'ble Prime Minister Shri Narendra Modi, the Ministry of Micro, Small and Medium Enterprises (MSME) implements various programs/ MSME schemes for the development and promotion of MSMEs across the country.

Moreover, the Government of India has been really proactive to ensure that all the benefit of these MSME schemes reaches to the MSMEs in time. To provide immediate relief to the MSME sector, various announcements (in addition to the various MSME schemes) have been made under the “Atmanirbahar Bharat Package”. The most important ones also included:

- INR 3 lakh crore collateral-free automatic loans for MSMEs to buy raw material, meet operational liabilities and restart businesses
- Revision of MSME definition to extend maximum benefits to the sector
- Disallowing global tenders in procurements up to INR 200 cr. to create attractive opportunities for domestic players
- Clearing of MSME dues by the Government and Public Sector Units (PSUs) within 45 days

All these are primarily concerned with the promotion of small and medium industries. Some of the support measures and program meant for the promotion of small and rural industries are:

1. National Small Industries Corporation (NSIC)

National Small Industries Corporation was set up in 1955 with a view to promote and foster the growth of small business units in the country. This focuses on the commercial aspects of these functions.

- (i) Supply indigenous and imported machines on easy hire-purchase terms.
- (ii) Procure, supply and distribute indigenous and imported raw materials.
- (iii) Export the products of small business units and develop export-worthiness.
- (iv) Mentoring and advisory services.
 - (a) Serve as technology business Incubators.

(b) Creating awareness on technological up gradation.

(c) Developing software technology parks and technology transfer centers.

2. Rural and Women Entrepreneurship Development (RWED)

The Rural and Women Entrepreneurship Development program aims at promoting a conducive business environment and at building institutional and human capacities that will encourage and support the entrepreneurial initiatives of rural people and women. RWE provides the following services:



- (i) Creating a business environment that encourages initiatives of rural and women entrepreneurs.
- (ii) Enhancing the human and institutional capacities required to foster entrepreneurial dynamism and enhance productivity.
- (iii) Providing training manuals for women entrepreneurs and training them.
- (iv) Rendering any other advisory services.

3. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

To make the traditional industries more productive and competitive and to facilitate their sustainable development, the Central Government set up in the year 2005. The main objectives of the scheme are as follows:

- (i) To develop clusters of traditional industries in various parts of the country;
- (ii) To build innovative and traditional skills, improve technologies and encourage public-private partnerships, develop market intelligence etc., to make them competitive, profitable and sustainable; and
- (iii) To create sustained employment opportunities in traditional industries.

4. The District Industries Centers (DICs)

The District Industries Center was launched on 1 May 1978, with a view to providing an integrated administrative framework at the district level, which would look at the problems of industrialization in the district, in a composite manner. Identification of suitable schemes, preparation of feasibility reports, arranging for credit, machinery and equipment, provision of raw materials and other extension services are the main activities undertaken by these centers.

5. Prime Minister Employment Generation Program (PMEGP)

PMEGP scheme aims to generate employment opportunities in both rural and urban areas for the MSMEs through setting up of new self-employment projects in the country. This MSME scheme is being managed by Khadi and Village Industries Commission (KVIC) at the national level and being implemented by State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centers (DICs) and banks at the state and districts level.

6. Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE)

Ministry of MSME and SIDBI has jointly established the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement Credit Guarantee Scheme for MSE's. The corpus of CGTMSE is contributed by the Government of India and SIDBI.

7. Financial Support to MSMEs in ZED Certification Scheme

The schemes aims at supporting & promoting the Make in India initiative, achieving Zero Defect & Zero Effect practices in manufacturing processes and ensure continuous improvement.

8. STARTUP INDIA SCHEME

The Startup India Scheme is a flagship initiative of the Government of India with an objective to carve a strong ecosystem for nurturing innovation and startups in the country. This drive will lead towards sustainable economic growth and generate large-scale employment opportunities. The Government of India aims to empower startups to grow through innovation and design.

CHAPTER II – THE PROBLEM

1. PROBLEM FACED BY “SMALL SCALE ENTERPRISES” ARE AS FOLLOWS:

Small scale industries are at a distinct disadvantage as compared to large scale industries. The scales of operations, availability of finance, ability to use modern technology, procurement of raw materials are some of these areas. This gives rise to several problems. Most of these problems can be attributed to the small size of their business, which prevents them from taking advantages, which accrue to large business organizations. However, the problems faced are not similar to all the categories of small businesses. For instance, in the case of small ancillary units, the major problems include delayed payments, uncertainty of getting orders from the parent units and frequent changes in production processes. The problems of traditional small scale units include remote location with less developed infrastructural facilities, lack of managerial talent, poor quality, traditional technology and inadequate availability of finance.

The problems of exporting small scale units include lack of adequate data on foreign markets, lack of market intelligence, exchange rate fluctuations, quality standards, and pre-shipment finance. In general the small businesses are faced with the following problems:

- 1.1 **Finance:** One of the severe problems faced by SSIs is that of no availability of adequate finance to carry out its operations. Generally a small business begins with a small capital base. Many of the units in the small sector lack the credit worthiness required to raise as capital, from the capital markets. As a result, they heavily depend on local financial resources and are frequently the victims of exploitation by the money lenders. These units frequently suffer from lack of adequate working capital, either due to delayed payment of dues to them or locking up of their capital in unsold stocks. Banks also do not lend money without adequate collateral security or guarantees and margin money, which many of them are not in a position to provide.

- 1.2 **Raw materials:** Another major problem of small business is the procurement of raw materials. If the required materials are not available, they have to compromise on the quality or have to pay a high price to get good quality materials. Their bargaining power is relatively low due to the small quantity of purchases made by them. Also, they cannot afford to take the risk of buying in bulk as they have no facilities to store the materials. Because of general scarcity of metals, chemicals and extractive raw materials in the economy, the small scale sector suffers the most. This also means a waste of production capacity for the economy and loss of further units.
- 1.3 **Managerial Skills:** Small business is generally promoted and operated by a single person, who may not possess all the managerial skills required to run the business. Many of the small business entrepreneurs possess sound technical knowledge but are less successful in marketing the output. Moreover, they may not find enough time to take care of all functional activities. At the same time they are not in a position to afford professional managers.
- 1.4 **Labour:** Small business firms cannot afford to pay higher salaries to the employees, which affects employee willingness to work hard and produce more. Thus, productivity per employee is relatively low and employee turnover is generally high. Because of lower remuneration offered, attracting talented people is a major problem in small business organizations. Unskilled workers join for low remuneration but training them is a time consuming process. Also, unlike large organizations, division of labour cannot be practiced, which results in lack of specialization and concentration.
- 1.5 **Marketing:** Marketing is one of the most important activities as it generates revenue. Effective marketing of goods requires a thorough understanding of the customer's needs and requirements. In most cases, marketing is a weaker area of small organizations. These organizations have, therefore, to depend excessively on middlemen, who at times exploit them by paying low price and delayed payments. Further, direct marketing may not be feasible for small business firms as they lack the necessary infrastructure.
- 1.6 **Quality:** Many small business organizations do not adhere to desired standards of quality. Instead they concentrate on cutting the cost and keeping the prices low. They do

not have adequate resources to invest in quality research and maintain the standards of the industry, nor do they have the expertise to upgrade technology. In fact maintaining quality is their weakest point, when competing in global markets.

- 1.7 **Capacity utilization:** Due to lack of marketing skills or lack of demand, many small business firms have to operate below full capacity due to which their operating costs tend to increase. Gradually this leads to sickness and closure of the business.
- 1.8 **Technology:** Use of outdated technology is often stated as serious lacunae in the case of small industries, resulting in low productivity and uneconomical production.
- 1.9 **Sickness:** Prevalence of sickness in small industries has become a point of worry to both the policy makers and the entrepreneurs. The causes of sickness are both internal and external. Internal problems include lack of skilled and trained labour and managerial and marketing skills. Some of the external problems include delayed payment, shortage of working capital, inadequate loans and lack of demand for their products.
- 1.10 **COVID -19:** Coronavirus: India will take 'years' to recover from unemployment crisis. India's massive work force is being hit hard by coronavirus. As many as 21 million salaried jobs have been lost between April and August, according to a recent report by the Centre for Monitoring Indian Economy (CMIE) Construction output dipped by 50% and manufacturing output contracted by 40%. Economists and academics maintain the pandemic and consequent lockdown, laid bare the fragility of India's formal job market, which has collapsed.



1.11 Global competition: Apart from the problems stated above small businesses are not without fears, especially in the present context of liberalization, privatization and globalization (LPG) policies being followed by several countries across the world. Remember, India too has taken the LPG path since 1991. Let us look into the areas where small businesses. Feel threatened with the onslaught of global competition.

- (v) Competition is not only from medium and large industries, but also from multinational companies which are giants in terms of their size and business volumes. Opening up of trade results in cut throat competition for small scale units.
- (vi) It is difficult to withstand the quality standards, technological skills, financial creditworthiness, managerial and marketing capabilities of the large industries and multinationals.
- (vii) There is limited access to markets of developed countries due to the stringent requirements of quality certification like ISO 9000.

CHAPTER III – LITRETURE REVIEW

Although small scale industries continue to straddle the industrial sector in all over the India, the literature on their varied functioning are many especially with reference to changing perspectives and motivating youth towards self-employment.

1. IAS. Devendra Kumar Singh. Additional Secretary & Development Commissioner (MSME).

MSMEs play key role in the economic wellbeing of developing countries and are considered as drivers of the economy as it has potential to promote competitiveness and innovation in many economics which will directly leads to employment generation, poverty reduction and balanced regional development.



MSMEs is the major area where entrepreneurs can take it as entrepreneurship opportunities because it has low capital requirement and more job creation compared to large enterprises and is also regarded as the nursery for the entrepreneurship (EIM business and policy research, 2011). MSMEs in India is the second largest employer after agriculture providing employment to 73 million workers and accounting over 40% of the employment.

2. **Deep Kalra, founder of India's most popular travel website, (MakeMyTrip)** said in the success story interview with “Times of India”

“After the global Health and financial crisis of 2020, the world and India woke up to the need to generate employment by working on business ideas and start-up ventures, small scale business that might otherwise have gathered dust”.



India has been witnessing a lot of entrepreneurial activity in the recent years, with many success stories further fuelling the ambitions of many budding entrepreneurs.

He further said, It would be ironical to talk about "career scope" after a course in entrepreneurship, since entrepreneurs don't typically dream of building a career, instead, they have a vision to launch a business or give shape to an idea. An MBA would teach practical skills to aspiring innovators so that they can avoid certain mistakes when they start a new venture.

But the most important ingredient is to "**believe in yourself**", according to the **founder of the popular search engine, Just Dial, VSS Mani.**

3. **On Dec 17, 2018** an article written by Peter Economy on the success stories of the business gurus and entrepreneurs in “I N C Magazine”

“Nicole Snow”, CEO of Darn Good Yarn, and an online recycled silk yarn company that creates social consciousness through crafting and design, said that,

“A small business is an amazing way to serve and leave an impact on the world you live in.”



Nicole also writes a blogs, on How to build global supply chain for your small scale business to get maximum profit. Snow was the inaugural grand prize winner in the first **“FedEx Small Business Grant Contest in 2013”**. She also believes that small scale business has more opportunities and sources to increase the business in limited fund.

4. Prof. Srinivas K T, Department of study in commerce, (Davangere University) said in (2013)

That he, “Studied the performance of micro, small, and medium enterprises and contribution in India’s economic growth and concluded that **“MSME’S play a vital role in the inclusive growth of Indian economy”**”.

In the above articles, blogs and the success story interviews, we gathered information on the “small scale businesses towards solving unemployment problem” is create awareness towards self-employment, taking risks, study government policies which help for the new startups. Studied the objectives, important, great future scope for the small scale industry.

CHAPTER IV – DATA COLLECTION & ANALYSIS

1. INTRODUCTION TO PRIMARY DATA

1.1 In this chapter ,I have collected **primary data** by the interview method, interviewed 10 candidates in my area “Thane District – Dombivli Region” the questionnaire for the data collection are presented are as follows:

QUESTIONNAIRE FOR THE INTERVIEW	
Sr. No.	Questions
1	What is the name of firm?
2	How many years are you in this business?
3	What is the aim of your business?
4	What are the products you are manufacturing and dealing wih ?
5	What made you start doing your own business?
6	How MSME'S scheme are you using/ or benefiting you ?
7	How many no. of employment you provide in your company/shop?
8	How COVID- 19 crisi afted your busines in terms of
9	Are you trying to extend your business ?
10	Once in a while, have you though of shutting down the business? If yes, what is the mail reason?

1.2 According to the questionnaire, Interviewed and Discussed with 10 Micro, Smalls and Medium scale business holder's and the analysis by each questions are as follows:

Discussed with:

1. Mr. Kamal Singh (Age 46), Owner of "Patel Supermarket" in Dombivli West.
2. Ms. Deepa Thanekar (Age 41), Owner of "Suruchi's Kitchen" in Dombivli West.
3. Mr. Tejas Joshi (Age 37), Owner of "Gauri Auto Mobiles" in Dombivli East.
4. Ms. Baby Mhatre (Age 34), Owner of "Vegetable shop" in Dombivli West.
5. Mr. Hiren Khimji (Age 41), Owner of "Om Sai – Distributers" (Biscuits, Snacks etc.) in Dombivli East.
6. Mr. Shrikant Patil (Age 44), Owner of "Ramnagar herbal oil" in Kalyan – Dombivli as a Manufacturer of herbal oil unit.
7. Mrs. Radhika Vichare (Age 39), Owner of "Radhika Papad Masale" in Bhiwandi, Kalyan Dombivli as a Manufacturer of papad
8. Ms. Priyanka Shinde (Age 33), Ownwer of "Beattle Leaf" in Dombivli as a Manufacturer of Exotic Soup.
9. Mrs. Aisha Khan (Age 27), Owner of "Aisha Chocolates and Confectionery" in Kalyan – Dombivli.
10. Mr. Shekhar Joshi (Age 35), Owner of " Shree Ganesh Enterprises" in Kalyan – Dombivli as Manufacturer of Incense stick/ Agarbatti.

- After the, COVID- 19 crisis there are drastic change in the MSME distribution of Dombivli, as many enterprises shut down due to financial crisis, but many businesses started due to growing unemployment, safety concerns for next few years, introduced beneficiary government policies leads to new startups and businesses in Dombivli. For more detail refer the following diagram of **distribution of MSME in Dombivli:**

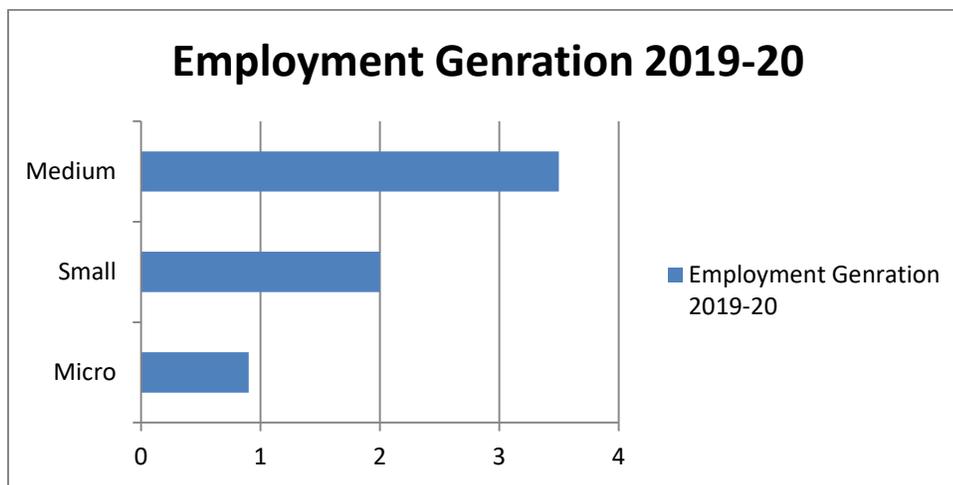
RESULTS: DISTRIBUTION OF MSME/ INDUSTRIES IN DOMBIVLI		
INDUSRIES	MICRO/SMALL	Medim
MANUFACTURING/ PRODUCTION	60%	40%
ACCILARY	20%	80%
SERVICE INDUSTRY	75%	25%
OTHERS	65%	35%

- As we discussed in the introduction part of project government launched various scheme for the betterment of MSME. In survey of Dombivli region it is found that 40% entrepreneurs are not aware of the schemes provided by Indian government but 50% Entrepreneurs using and getting benefits of these schemes also there are 10% entrepreneurs who aren't satisfied by the benefits of schemes, here are the analysis for the survey:

RESULTS: MSME SCHEMES ACTUAL BENEFICIARY RATE IN DOMBIVLI			
INDUSRIES	BENEFICIARY	NON - BENEFICIARY	NO AWARENESS
NSIC	35%	5%	60%
RWED	40%	10%	50%
SPHURTI	20%	2%	78%
PMEGP	45%	15%	40%
CGTMSE	70%	3%	27%
STARTUP INDIA SCHEME	75%	1%	24%

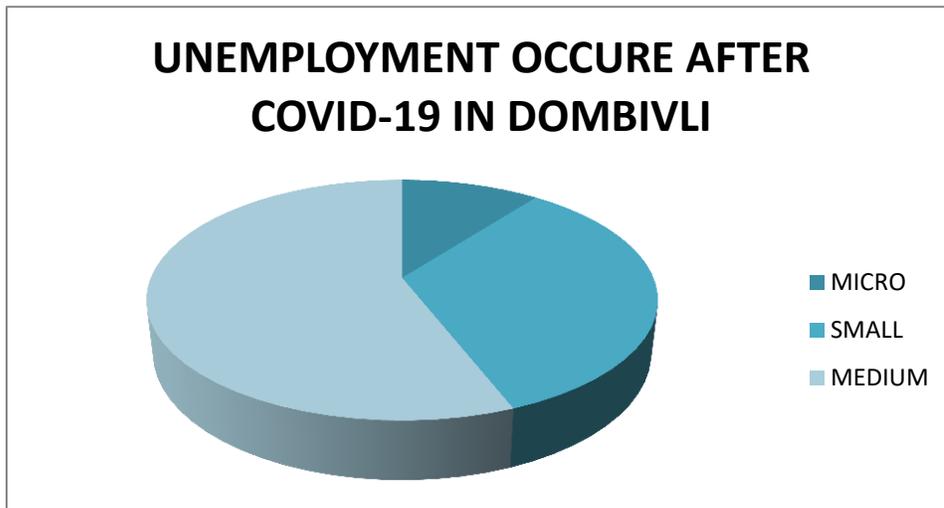
NSIC - National Small Industries Corporation
RWED - Rural and Women Enterprenurship Development
SPHURTI - Schem Of Fund For Regeneration Of The Of Traditional Industries
PMEGP - PrimeMinister Employment Genration Program in MSME Sectors
CGTMSE - Credit Guarantee Trust Fund For Micro & Small Enterprises

- As we discussed in the project MSME Sectors provides grate percentage of employment chances in unemployed community, here are the analysis of the survey, Rate of employment generation from Micro, Small and Medium Enterprises in **Micro Enterprises** the rate is slightly lower that small and medium as the need for the employees in the business is also less that small and medium, In **Small Enterprises** employment generation from last year increased as new startups increase in Dombivli region, In **Medium Enterprises** the data analyses for the year 2019-20 are as follows:



- As we, Discussed in the problems facing by “MSME sector due to COVID -19 crisis, we discussed with few small enterprises holder’s and it shows that, MSME affected the most due to COVID – 19 Crises globally, but in Dombivli the effects are similar, as business was completely shut down into pandemic which effects to 60% employees lost their job in the case of downsizing the businesses due to financial loss which leads to rises in the unemployment in Dombivli, here are the analysis of

“Unemployment occurred in Dombivli after the COVID-19 crisis”:



According to WHO’s report show out of an employable workforce of 520 million, nearly 35 to 40% (or up to 200 million workers) may be underemployed in INDIA with no real work, or employed but earning 50% or less of their former salary in urban centers,"

- According to the survey in Dombivli main reason to shut downsizing or shutting down of the business is the financial crisis, unemployment, loss due to global crisis, no availability of funds, lack of knowledge from the schemes provided by Indian government to improve the standard of MSME.

2. INTRODUCTION TO SECONDARY DATA

In this chapter I, have collected **secondary data** regarding estimated employment no. in rural and urban area, increasing employment rate in MSME, Progressive states for the distribution of MSME. And analyses the above topic as well as increasing rate of MSME in India.

1.1 As per the National Sample Survey (NSS) 73rd round conducted during the period 2015- 16, MSME sector has been creating 11.10 crore jobs (360.41 lakh in Manufacturing, 387.18 lakh in Trade and 362.22 lakh in Other Services and 0.07 lakh in Non-captive Electricity Generation and Transmission) in the rural and the urban areas across the country. Table 2.8 and Figure 2-5 shows the distribution of MSMEs activity wise.

- **For Estimated Employment in MSME Sector for year 2019-20 refer following diagram:**

Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	186.56	173.86	360.41	32
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
Electricity*	0.06	0.02	0.07	0
All	497.78	612.10	1109.89	100

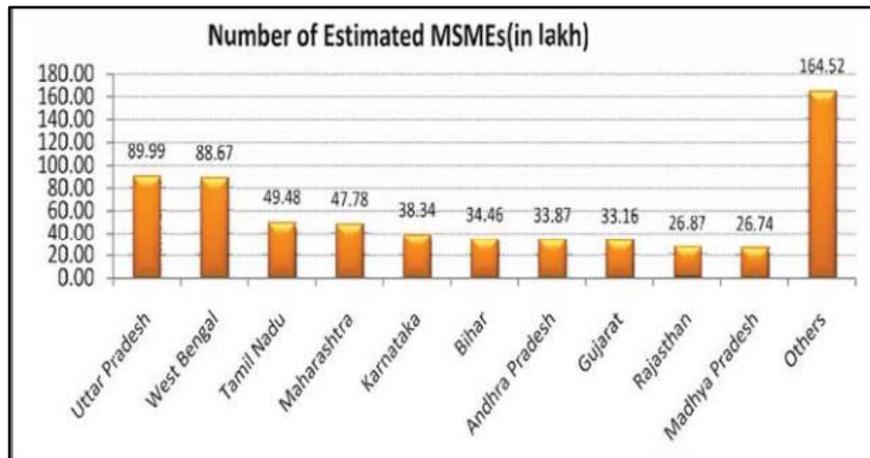
1.2 Micro sector with 630.52 lakh estimated enterprises provides employment to 1076.19 lakh persons, which accounts for around 97% of total employment in the sector. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs provides employment to 31.95 lakh (2.88%) and 1.75 lakh (0.16%) persons of total employment in MSME sector, respectively. Figure 2-6 shows the sectorial distribution of employment in MSMEs. State-wise distribution of employment is given in Table:

- **For Distribution of Employment in Rural and Urban Areas in year 2019-20**
(Number in lakh)

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

1.3 State of Uttar Pradesh had the largest number of estimated MSMEs with a share of 14.20 % of MSMEs in the country. West Bengal comes as close second with a share of 14% again. The top 10 States together accounted for a share of 74.05 % of the total estimated number of MSMEs in the country. Figure 2-8 and Table

Distribution of MSMEs in Top Ten States in year 2019-20:



- **As per the above primary and secondary data the summery collected and presented in project.**

CHAPTER V – CONCLUSION

The aim of the paper was to identify and analyze the main role of small enterprises in solving unemployment problem and operational problems faced by Micro, Small and Medium Enterprises in India, study the existing policies and make further recommendations. On that basis “CONCLUSION” are as follows:

- MSME plays a vital role in the economic development of India, particularly in the rural economy. 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 disguised unemployment, reducing poverty, migration, economic disparity, unemployment.
- Government should go for periodical appraisal of MSMEs development schemes and programs in order to uplift rural areas.
- MSME finds it difficult to take off is due to lack of capital, risk taking and innovation. They are the way of converting developing country into developed nation.
- Promotions of MSMEs are extremely important in the context of producing gainful employment and reducing the widening disparities between the rural and urban.
- MSME’s provide self-dependency and it is the only way to solve the problem of unemployment in a populous country like India.
- MSME’s are boon for reducing regional imbalances and a means to utilize the natural and abundant human resources available in Indian districts and cities.
- Helping MSMEs is the only way of helping people help themselves.
- Small and Medium enterprises play a very important in development of the economy as is shown by the theory of The Missing Middle and the positive correlation between the economic growth of a country and the size of its SME sector. Therefore there needs to be more focus on Small and Medium enterprises in government policies and schemes.

CHAPTER VI – SUGGESTIONS & SCOPE

This Chapter presents a summary of findings of the study and suggests some of the measures with reference to the small scale enterprises in general. An attempt has been made to evaluate the role, growth and performance of small scale enterprises in Dombivli. The study is based on Primary and Secondary data.

1. In the light of above findings in the project of “The role of small scale enterprises in solving unemployment problem” following **“SUGGESTIONS”** are put forth for effective functioning of the Small Scale Enterprises located in different parts of the Maharashtra including Dombivli.
 1. There must be a co-ordination and cordial relationship between Government officials and entrepreneurs.
 2. While selecting the entrepreneurs to occupy the shed priority may be given to qualified unemployed graduates by simplifying the existing procedures.
 3. There is a need of a linkage between institutes engaged with entrepreneurship development and industrial estates, administrative executives.
 4. A separate industrial estate can be constructed exclusively to allot sheds for women entrepreneurs; particularly some sheds can be reserved for women self-help groups to start their industries.
 5. Periodical meetings may be conducted by the Directorate of industries and MSME officers to address the problems of entrepreneurs.
 6. The entrepreneurs may also be given an orientation to review the performance of their units and pass on factual information to government and be part of policies formation.

7. Be more aware about the policies and schemes provided by Indian government for the betterment of Micro, Small, and Medium Enterprises for the sustainable growth and benefits.
8. People must develop a positive and favorable attitude towards small scale enterprises, to facilitate the fast growth of small sector. People have to accept and give preference to Startups and Self Employment by realizing the benefits without opposing it i.e. growth in employment chances.
9. In order to promote R&D in small scale industries, it is essential to strengthen the technological infrastructure and make it easily accessible to small firms. This has to be done particularly at district level or City Level to be more effective.

2. FUTURE SCOPE FOR EMPLOYMENT GENERATION BY MSME'S

Underlining the immense potential of the micro, small and medium enterprises (MSME) in employment generation, Maharashtra Chief Minister Uddhav Thakre today said the state government will provide all possible help to the MSME units.

Addressing a program here, “To boost the MSME sector, a separate policy has been implemented. Sector-wise policies have also been implemented. The UP government has implemented special scheme focusing on the MSMEs — ‘one district, one product’. A large-scale program related to this scheme will be held next month.”

Highlighting advantages of MSME sector, “In the MSME sector, and large number of employment opportunities are created with use of relatively less capital. Seeing the employment generating potential of this sector, the state government will link ODOP with the Central and state schemes, and make efforts to make 2 crore youth self-reliant through self-employment.” Most people in India are self-employed. They are engaged in agriculture, trade, cottage and small scale industries etc. These persons should be helped financially, providing raw materials and technical training.

In order to infuse fresh capital, a proposal to approach the Reserve Bank of India for directing banks to grant 20 per cent additional loan to all eligible industries without seeking fresh collateral is being considered by the state government, said officials. Meanwhile, Maharashtra is planning to prioritize capital investments in the roads, irrigation, and other infrastructure sectors in public sector to spur growth.

Overall view of the study has major scope to generate employment in future from MSME sector in India.

REFERENCES

- 1 **Article Published on April 13, 2020 in Indian Express.com**
<https://indianexpress.com/article/cities/mumbai/maharashtra-govt-mulls-scheme-to-protect-salaries-of-msme-workers-coronavirus-india-lockdown-6385657/>
- 2 Article by Pooja Mehta on Economic Discussion
<https://www.economicdiscussion.net/articles/suggestions-to-solve-unemployment-problem/2287>
- 3 Article by IAS Drishti on MSME.
<https://www.drishtias.com/to-the-points/paper3/micro-small-and-medium-enterprises-msme>
- 4 Article on Indian express on 18 July 2020
<https://www.financialexpress.com/industry/msme-sector-has-huge-scope-of-job-creation-government-will-support-it-up-cm-yogi-adityanath/1239311/>
- 5 Article of India Today net-magazine on Sep 17, 2020
<https://www.dw.com/en/coronavirus-india-will-take-years-to-recover-from-unemployment-crisis/a-54959382>
- 6 Article in Business world magazine by Biswapriya Bhattacharya on 22 July, 2020
<http://bwpeople.businessworld.in/article/COVID-19-The-Unemployment-Conundrum-in-the-MSME-Sector-of-India/13-07-2020-296996/>
- 7 Micro, Small and Medium Enterprise (MSMEs) in employment generation and its effects on Entrepreneurship on Grin.com

<https://www.grin.com/document/424945>

8 Reference by research project on net by small enterprises

<https://ncert.nic.in/textbook/pdf/kebs109.pdf>

9 Article by India Briefing on 14 may,2020 by Vasudhara suri

<https://www.india-briefing.com/news/micro-small-medium-enterprises-india-explainer-17887.html/>

10 Article on CIMSME – Chamber of Indian Micro, Small and Medium Enterprises

https://www.indiansmechamber.com/challenges_to_msme.php

11 Reference of secondary data by

<https://msme.gov.in/>

12 Reference for Primary Data questionnaire submitted in the introduction to primary data