



Q. Micro-small and medium enterprises MSMEs are often called the powerhouse of the Indian economy. Discuss how India can supercharge its MSMEs through reforms and e-commerce innovation (250 words)?

Micro small and Medium enterprises are one of the most flourishing and important sectors in Indian economy. It contributes to around 35% of Indian economy.

Benefits of MSME :

✓ it is called powerhouse

- (1) Provides huge amount of employment to youth and other population in India.
- (2) MSME are huge share in exporting of their products as demand is there in international market.
- (3) MSME's are often linked to indigenous, traditional products and creativity. Hence entrepreneurship is promoted.
- (4) MSME's are considered as the Backward and Forward linkage in Indian economy, which is a very important role.
- (5) Along with employment, MSME's also carry forward the legacy of Traditional skills and work.

Problems associated with MSME's:

- (1) Lack of Financing: Investment in MSME's are not huge. Hence financing / funding are not provided to MSME's at that level which are required.
- (2) Lack of Credit Mechanism: As MSME's are small in quantity. Hence Banking institutes do not provide them credit easily as they are mostly informal.
- (3) This MSME sector is highly informal and hence accurate database for their betterment is missing.
- (4) Upskilling and Reskilling in MSME's are not being promoted. Which led them into a vicious cycle of underdeveloped.

Initiatives taken by Government:

- (1) Udyam Portal: Only Government portal for Registration of MSME.
- (2) e-Shram Portal: Portal for collecting the database of unorganised workers.
- (3) Samadhan Portal: Portal for Grievance Redressal Mechanism of MSME and helping them in solving problems.
- (4) ASPIRE (A Scheme for promoting of innovation, Rural Industries and Entrepreneurship).



⑤ MSME-CDP (Cluster Development program).

For MSME clusters are developed. So that economic development around cluster will also take place.

Hence, MSME are the powerhouse of the Indian economy. And our country India is bringing a lot of initiatives to promote and help MSME industry in all the way possible. Hence more focus on specially MSME is the need of an hour.