



An In-Depth Examination of the COVID-19 Pandemic and its Repercussions on the Medium, Small, and Micro Enterprises (MSME) Sector in India.

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ABSTRACT

This research presents an overview of the impact of the COVID-19 lockdown on Micro, Small, and Medium Enterprises (MSMEs). Through an analysis of relevant literature, the study aims to comprehend and contrast the situation before and after the lockdown. The nationwide restrictions imposed in response to the pandemic severely affected the MSME sector, leading to halted business operations, supply chain disruptions, revenue losses, significant worker migration, and cash flow challenges. Employing a secondary qualitative analysis method, the research utilizes narrative thematic description to propose potential recommendations aligned with existing solutions and government relief measures.

Keywords: MSME ; COVID-19; India; Finance ; Impact; Measures

INTRODUCTION

MSME stands for Micro, Small and Medium Enterprises under the MSMED Act, 2006. It is the backbone of the Indian Economy and is one of the crucial contributing segments towards the same. According to MSME annual report 2017/18, it employs over 11.10 Crore people and contributing 28.77% share to GDP in the economy. MSME sectors include micro-enterprises that incur annual turnover worth below Rs. 5 crore, small enterprises with turnover worth between Rs. 5 crore and Rs. 75 crore and medium enterprises with an annual turnover below Rs. 250 crores. These MSMEs are uniformly spread across rural and urban areas and are equally represented in the manufacturing, trade and services sectors. Two thirds of MSMEs are operated by socially vulnerable groups (Scheduled Caste/Scheduled Tribe/Other Backward Classes) and 20% by women.

COVID-19 has taken the world by storm and has brought the working of this industry to a standstill. The pandemic has created many challenges and impacted- production, supply chain, liquidity, demand, workers, etc. Both, the entrepreneurs and the workers have been taken aback by the sudden closure of MSME sector so much so that an existential crisis has arisen. Despite its volume, scale and expanse, the MSME sector is vulnerable and can quickly become unstable and unviable, particularly in the presence of external shocks. To help the sector out of crisis, and to address the liquidity crisis faced by them, the Indian government has framed various schemes for MSME's apart from the "credit guarantee schemes without collateral securities by the nationalised banks of India".

Defining MSMEs

It is important to establish the definition of Micro, small, and Medium Enterprises

Former MSME definition			
Criteria: Investment in plant and machinery or equipment			
Classification	Micro	Small	Medium
Manufacturing enterprises	Investment up to Rs. 25 lakhs	Investment up to Rs. 5 crores	Investment up to Rs. 10 crores
Service enterprises	Investment up to Rs. 10 lakhs	Investment up to Rs. 2 crores	Investment up to Rs. 5 crores
Revised/New MSME definition			
Composition Criteria: Investment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing and service enterprises	Investment up to Rs. 1 crore and turnover < Rs. 5 crores	Investment up to Rs. 10 crores and turnover < Rs. 50 crores	Investment up to Rs. 50 crores and turnover < Rs. 250 crores

Source: Government of India Bulletin, 13.05.2020

based on a composite criterion- Investment and Annual Turnover. On 13th May 2020, the government of India had issued

LITERATURE REVIEW

P Sahoo has thrown light on the assessment of the impact of COVID-19 on the Growth, Trade and Manufacturing progress of the MSME Sector. There is detailed insight with statistics that helps in understanding the crux of the working of the industry and how it has been impacted. This understanding helps in paving way for overcoming the challenges posed by the pandemic, as the economy had been brought to a temporary standstill.

Arundhati Roy, B.C.M Patnaik and Ipseeta Satpathy also aim at simplifying the understanding of the impact of COVID-19 on the Indian Economy. The study shows the number of businesses that had been shut down and the relief measures as well as coping mechanisms. There is also mentions about the migration of workers, all based on secondary qualitative research.

Sameena Banu and Dr. B. H. Suresh throw light on how the pandemic has affected the working of the MSME Sector. It also intends to reveal the steps taken by the government to handle the spurting issues at hand.

Srirang K Jha and Ashish Kumar primarily focused on the revitalization aspect of the MSME Sector in unprecedented times in the wake of schemes announced by the finance minister; and how these can be channelised for the path ahead in the future and the challenges that lie on these paths- how they can be overcome.

CA Asma Sheikh and Karunesh Saxena focus more on the redemption of the MSME Sector in the backdrop of the pandemic. This study tries to delve in to the Aatma-Nribhar program of the Central Government, in light of the current crippling situation of the sector- suggesting ideas and coping strategies.

Dr Joshi S and Rana P in the paper titled "Management Practices for Sustainable Supply Chain and Its Impact on Economic Performance of SMEs: An Analytical Study of Uttarakhand State, India" analyse the three extracted variables; Management attitude and perspective towards sustainability, sustainable strategic operation and economic performance. This paper lists the management practices in context of sustainable strategic operation that is impacting the economic performance of Small and medium enterprises (SMEs) more than others regarding Managerial attitude and perspective towards sustainability.

Sowmya, DN and Dr PARAMASHIVAIAH, P in the research paper make an attempt to establish relation between the IPR, MSMEs and the Indian Economy. The paper arrives at a conclusion that MSMEs are an important part of the self-sufficient India and MSMEs exports do not increase with the adoption of IPR and it affects the Indian economy as a whole.

Kumar, A and Ayedee, N in the research have identified various problems faced by the SMEs like layoff of employees, health issues of employees, fall in sales, fall in customer demands, financial crunch. These problems are thought to be solved by the adoption of technology and adoption of social media, technology 4.0, e-commerce channels, automation.

Ranjith, P. V and Massand, A. in the research identify the main challenges in supply chain of industries in covid-19 are increased delay, the effect on logistics, the impact on ROI, and the effect on imports and have suggested some solutions that will help to manage the challenges effectively.

Sheikh, A and Gangadhar, v in the paper attempt to list down the basics of cloud computing, how the pandemic has impacted the SMEs and the growing need of working remotely calls for the implementation of cloud computing in business. They list down various advantages of using it, and how a business can choose a perfect cloud technology.

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Anukarsh Singh focuses on the triple crisis of supply chain, demand chain and labor disruption faced by India's Micro, Small and Medium Enterprises. It throws light on the distress faced by the industry in the initial months of covid especially in terms of liquidity as they dont have huge cash reserves. The paper suggests recovery methods to prevent the spread of inequality gap in the economy.

Deepak Kumar in his paper has brought to light a completely different aspect of the business side i.e., the socio-economic impact and how that can be mitigated using the help of self-help groups by bringing in the participative nature of these to use in terms of financial services management, credit support, safe bankable loans, and other ways of mutual help. The MSMEs can then collaborate with these groups in 4 matrices i.e., the financial planning, human resources, local development, and empower the governance.

Smita Mohapatra analysed the regional trends of varied types of MSME units spread in different regions of the country by evaluating the annual reports, websites of the Ministry of Micro, Small and Medium Enterprises, Udyog Aadhar Memorandum. Her report stated the urbanrural divide within the industry and each state has a different level of contribution towards the GDP.

Shyam Ji Mehrota came up with a business contingency Plan under the COVID-19 environment analysing the problems faced by the industry with various types of disruptions and the measures taken by the government and RBI to overcome those disruptions financially as well. He analysed the case of Radhey Chikan, a partnership firm of chikan embroidery business and came up with contingency plans to overcome the problems faced by them.

Chandra Sekhar Mund has looked into the finance aspect of MSME and the role of Credit Guarantee Fund Trust for MSEs. He has descriptively analysed the source of finance for MSME, the problems of MSME finance and the role of CGTMSE in facilitating MSME finance. The two types of finance in India and their role in MSME financing was brought to light, they are non-institutional and institutional kinds of financing. Timely credit at an exorbitant rate of interest, bank loans

were the major problems described in the paper. Information asymmetry in this sector is the main problem resulting in inadequate bank finance. CGTMSE has been set up to facilitate access to finance for un-served/ under-served borrower segments and to provide financial assistance to first generation entrepreneurs and underprivileged section of society without any collateral security. He concluded by justifying that CGTMSE can be a potential source of financing for them.

OBJECTIVES

- Provide a new and fresh perspective at the working of the Indian MSME Sector- especially with respect to their fall and subsequent rise.
- Enable a deeper understanding of the actual problems faced at the grass-root level.
- Provide more viable solutions that are easy to implement and can trickle down to all the branches of the industry.
- Focus on the impact of the global pandemic on a few specialised aspects such as Employment, disturbances in the supply chain management, Financial Management, Manufacturing and trading.

SIGNIFICANCE AND NEED FOR THE STUDY

The MSME sector is an important pillar of the Indian Economy that contributes 30% to GDP and 48% to exports with a network ranging around 30 million in units, generating employment for around 70 million people across the nation. By the sheer numbers, we can see understand the significance that this sector carries. However, in spite of its contributions, the sector continues to face hurdles such as the availability of timely credit, collateral requirements, access to equity capital.

The sector has been accustomed to barely surviving and growing thereon. However, the infliction of the COVID-19 pandemic posed a serious challenge to the working of these units- their coping mechanisms and the road ahead for them.

RESEARCH METHODOLOGY

- **Type-** It is primarily a Review-Based Study (based on reviewing the 30 articles as a part of Literature Review).
- **Approach-** This paper is based on a data analytical approach, majorly drawing inferences using Deductive Reasoning, although the usage of Inductive Reasoning is not completely abandoned. The conclusions to be drawn are based on secondary quantitative data, along with the understanding of government aids and schemes as well as the economic backdrop of the country
- **Data Sources-** This paper is based on secondary data that is obtained from well-established government sources, such as the MSME website, NITI Ayog, as well as private journals and publications.
- **Descriptive Research-** As the paper is based on reliable secondary data sources, it is a Descriptive type of research- which is primarily systematised review-based (journals chosen for the purpose of literature review) providing a detailed overview of the current standing of the MSME Sector along with suggestions, translating the data's worth for easier understanding.
- **Sampling-** A purposive sampling technique is to employed. With the aid of specific listed keywords (such as "MSME", "Finance", "Liquidity Crisis", "COVID 19 Pandemic") for the selection of 30 journals from Google Scholar to form the foundation for our research. The required data were also taken from reliable newspaper articles. The selected articles were published during or after 2020.

PRE COVID-SITUATION OF MSME SECTOR

Table -1 Contribution of MSME's in GDP

Year	Contribution of MSME (%) at 1999-2000 Prices	
	Total Industrial Production	Gross Domestic Product
1999-2000	39.74	5.86
2000-2001	39.71	6.04
2001-2002	39.12	5.77
2002-2003	38.89	5.91
2003-2004	38.74	5.79
2004-2005	38.62	5.84
2005-2006	38.56	5.83
2005-2007	44.12	7.44
2007-2008	45.00	8.00
2008-2009	44.86	8.77

Source: Annual Report 2009-2010, Ministry of Micro Small Medium Enterprises.

Table 1 indicates the continuous and towards the GDP of the country which has growing contribution of the MSME Sector been at a steady pace.

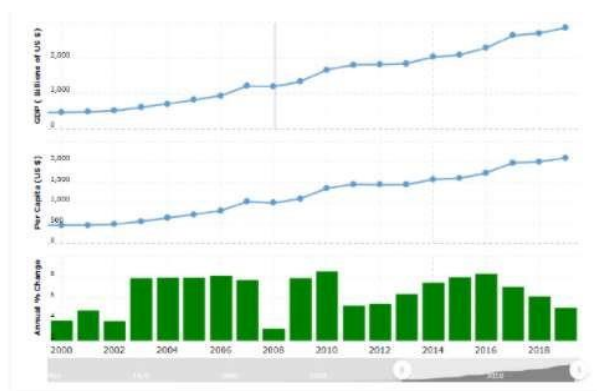


Figure 1. [2000-2019] Historical Graph of Gross Domestic Product, Per Capita & Annual % change. Source: Microtrends website and World bank

Figure 1 is the graphical representation of the growth rate from the years 2000 to 2018, although there have been some dips in the Annual % change.

As mentioned earlier, MSME has been known as the backbone or one of the pillars of the Indian Economy, and yet continues to be on the low-lying end of the spectrum. It has struggled with getting its demands met, such as the sanctioning of the increase in Working Capital Limit (to help the cash-crunched MSMEs); as well stress .

Share of Gross Value Added (GVA) of MSME in all India GDP

Figures in Rs. Crores adjusted for FISIM at current prices						
Year	Total MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	All India GDP	Share of MSME in All India GDP (in %)
2014-15	3658196	-	11504279	31.8	12467959	29.34
2015-16	4059660	10.97	12574499	32.28	13771874	29.48
2016-17	4502129	10.9	13965200	32.24	15391669	29.25
2017-18	5086493	12.98	15513122	32.79	17098304	29.75
2018-19	5741765	12.88	17139962	33.5	18971237	30.27

Source: Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation

The Contribution of manufacturing

2014-15 to 2018-19. This data is presented

Estimated Employment in the MSME Sector (Activity Wise)

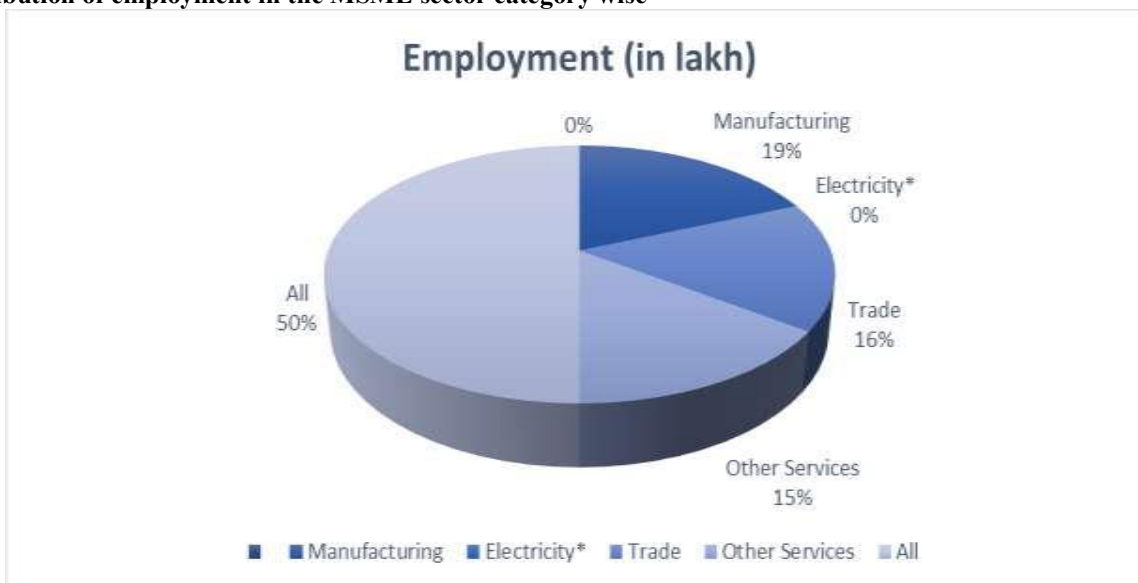
Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	186.56	173.86	360.41	32
Electricity*	0.06	0.02	0.07	0
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
All	497.78	612.1	1109.89	100

MSMEs in the country's total Manufacturing Gross value output at current prices remains constant at around 33% is one third during the period from to give an understanding of the importance of contribution of MSMEs in the GDP of India. The Indian MSMEs sector contributes about 29% towards the GDP through its national and international trade.

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, 0.07 lakh in Non-captive Electricity Generation and Transmission, 387.18 lakh in Trade and 362.82 lakh in Other Services) in the rural and the urban areas across the country.

Distribution of employment in the MSME sector category wise



with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs provided Micro sector with 630.52 lakh estimated employment to 31.95 lakh (2.88%) and enterprises provided employment to 1.75 lakh (0.16%) persons of total 1076.19 lakh persons that in turn employment in MSME sector, accounts for around 97% of total respectively. employment in the sector. Small sector

Estimated number of MSMEs in country (Activity wise)

Activity Category	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	114.14	82.5	196.65	31
Electricity*	0.03	0.01	0.03	0
Trade	108.71	121.64	230.35	36
Other Services	102	104.85	206.85	33
All	324.88	309	633.88	100

The number of MSMEs in Rural when compared to Urban is 5 % more. Whereas the total accounts to 633.88 lakhs. India has approximately 6.3 crore MSMEs.

The number of registered MSMEs grew 18.5% year to year to reach 25.13 lakh (2.5 million) units in 2020 from 21.21 lakh (2.1 million) units in 2019.

FINDINGS WITH DATA ANALYSIS

Impact of COVID-19 on the MSME

Sector:

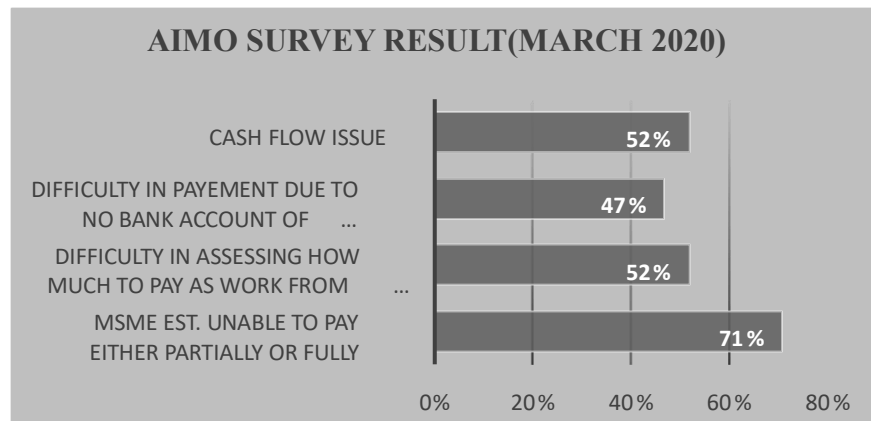
The following highlight the actual impact the MSME Sector had and is still going through in the event of nation-wide lockdown as well as the recovery phase. It is established that the MSME Sector consists of manufacturing, trade as well as service-based enterprises. Hence, the outcome varies accordingly, along with the root causes of the impact they undergo.

1. Threatening the Supply Chain- The MSME Sector has always seen itself in a tight position with regard to the liquidity and generating revenues, even before the pandemic hit. According to an AIMO (All India Manufacturer’s Organisations) Survey, about 70% of the enterprises were not in a position to pay their salaries in March 2020, prior the lockdown announcement. This is a clear-cut indication about the future that lay ahead for the MSME Sector.
- Lack of Raw Materials- A shortage in inputs started off as one of the primary concerns for this industry in light of the lockdown. As the pandemic started taking over, the supply chain began disrupting at multiple points, directly affecting the production cycle. However, the main reason for the lack of availability of materials was because the

MSME Sector is also largely dependent on China for a lot of its raw material produce, whose imports had been brought to a complete standstill.

- Production halt- As mentioned in the previous point, the lockdown implied no production for most enterprises (excluding essential products). This meant that there was no scope for revenue generation for the people engaged in this sector, leaving the people in a dire and helpless situation.
- 2. Labour Shock- This was one of the most blown-up issues during the early stages of the announcement of the pandemic. The short notice of the nation-wide lockdown left lakhs of workers stranded without any mode of transportation of compensation for the loss of promised jobs.

All India Manufacturers Organisation (AIMO), which is an apex body



focused on the interests of MSME sector, surveyed over 5,000 enterprises regarding the payment of wages/salaries in the month of March 2020. The study showed the

following:-

- Loss of Labour Supply- Along with raw materials, there was also a shortage in the supply of Labour as well. This was a dual effect that went hand-in-hand with the plummeting demand. Since there was no scope of production (as well as the fall in supply), there was no way out for employing labour, that was posing troublesome to maintain over the due course that did not seem to have a near end.
- Job Loss- With no permission to conduct operations, as well as the fall in supply, entrepreneurs had no choice but to let go of their employees leaving 66% of casual labourers jobless. The unemployment rate during this period (May 2020) was at a soaring 8.4%.
- 3. Loss of Demand- The uncertainty factor in unprecedented times like this was the shortcoming in terms of demand and supply fluctuations. The economy was spiralling downwards- with loss in jobs leading to no income causing a reduction in demand for goods and services which lead to consequently lower production.
- 4. Lower Economic Growth- According to the World Bank Report, India's GDP in 2019 was 4.2 and in 2020, was estimated to be -3.2. This indicated the level of negative impact that COVID-19 had on the Indian Economy.
- Finance- Liquidity Crunch- The liquidity crisis of the MSME Sector, that was prevailing even before the lockdown is wellknown. MSME is one the poorer industries of the Indian Economy that struggles for survival. Shouldering 70 crore people is a herculean task, making it harder to make ends meet, in monetary terms.
- Raising Capital- Over the last few years, there have been massive investments spanning across the Indian Economy. However, the MSME Sector has not been at the receiving end of for a big share of these. The pandemic makes it harder to seek investors who are willing to take the risk and make investments, owing to the shaky history that this industry has had in the past.

SOLUTIONS/ SUGGESTIONS TO THE PROBLEMS

It is pretty evident that the sector is struggling to keep businesses alive during these trying times. They are significant players in the economy and need to be protected for sustainable growth of the economy as a whole. There are several measures that were taken by the industry participants themselves to stay afloat. They did so by catering to the immediate needs such as producing sanitisers and PPE kits etc, however that is not their core business and hence makes it unsustainable in the long run. There are several measures that are taken by the government of India to support in the relief measures.

- Adopting technology and digitalbased approaches for the day-to-day functioning of the enterprises- Through digital adoption and technology access, MSMEs can modernize not only route to market and audience access, but streamline payments, obtain financing, and expert advice, all aiding their growth, and necessary to match the Government's

vision of enabling this key sector. In fact, a Cisco India SMB Digital Maturity Study 2020 also reveals that the digitization of SMEs could add up to \$158-216 billion to India’s GDP by 2024.3

- Effective planning by hiring employees for training, increases employee productivity as well as increases production- To get the newly adopted digital framework moving further, business owners will have to upskill employees to keep the business on track and drive this change from within.
- Preparing for their integration into global supply chain becomes a key priority. Meeting this vast vision in a time-bound manner will need a systematic and collaborative approach inclusive of policy enablement, capacity building, and private sector partnerships, all involving solutions at unprecedented scale. Partnerships with mature and well-established digital supply chains can help MSMEs modernize.

While the above are remedial measures, the relief measures enlisted by the Ministry are elaborate and provide a more comprehensive outlook towards revitalising the MSME Sector.

Lake (2020) provides the following steps of action to be taken by small businesses in light of revival:

1. Assessing the level of Financial Damage- So as to be able to understand the financing needs that are required for re-establishment
2. Reviewing Business Plan- Understand and Re-evaluate business plan and the course of action to be adopted for the near future considering the impact of COVID-19
3. Reviewing Funding Requirements- Assessing their sources of funds- their availability, reliability and scope
4. Reviewing Budget- Formulating a new budget, keeping in view, the restrictions as well the safety code mandate
5. Making Contingency Plan- Being aware and providing for future crises.

LONG TERM SUSTAINABLE SOLUTIONS

- Smart Industrial Village Policy- With decentralised economic structure and eased out economic regimes to support independence and development
- Promoting “Swadeshi” Ideology via Policy & Strategy Drafting- By was for price incentive and import substitution, providing the local MSME producers an advantage for indigenous product development
- Access to Information Technology Enabled Services (ITES) at an affordable cost would bring the MSME sector on a level playing field with bigger players. CY IMPLEMENTATION

Major Schemes Introduced	Intended Beneficiaries	Fund Allocation (2020-21)	Expenditure Incurred (Up to December, 2020)
1a. PMEGP	Only new projects	Rs.1650.00 Crores	Rs.1018.50 Crore
1b. CLCSS: Credit Linked Capital Subsidy Scheme	New and existing MSMEs	Rs. 503.28 crore	Rs. 438.59 Crore
1c. Credit Guarantee Trust Fund for (CGTMSE)- Provision of Collateral Free Credit for MSMEs.	The scheme is applicable to new and existing MSEs	NIL	The approved corpus of Rs. 7500 crore already completed.
1d. Interest subvention scheme for incremental credit to MSMEs.	New and existing MSMEs	BE- Rs. 200.00 crore	Rs. 200.00 Crore
2. Schemes for Skill Development Programmes	Existing and new incubation centres and eligible private institutions.	BE- Rs. 166.96 Crore	Rs. 6.51 Crore
		RE- Rs. 25 Crore	
3. Schemes For Infrastructural Development (Cluster Approach)	Varies from project to project (NGOs, PRIs, CSR Programmes etc)	BE- Rs. 464.85 Cr.	Rs. 127.41 Cr.
		RE- Rs. 201.46 Cr.	
4. Scheme for Technology Upgradation and Competitiveness	Manufacturing MSMEs	BE- Rs. 51.57 Crore	Rs 286.33 Lakh

Finance Minister Nirmala Sitharaman had announced a relief package of Rs. 20 lakh crores under the Aatma Nirbhar Campaign to instigate and revive the MSME sector. The following are the benefits under the said scheme:

- MSMEs that have a turnover of over Rs. 100 crores are eligible to borrow collateral-free loans, for a total of Rs. 3 lakh crores allotted for this purpose
- A provision for Rs. 20,000 crores have been allocated as subordinate debt for “stressed” MSMEs
- To strengthen the potential, Rs. 50,000 crores have been set aside for the infusion of equity
- It is also to be duly noted that the definition of MSMEs as described above is the redefined version, that has been modified to accommodate for the dynamic economic changes in the past 1 year.
- All pending MSME payments to be cleared within 45 days (as of 2020)
- As a replacement for trade exhibitions, a provision for emarket is to be set up and promoted.

While Indian policymakers face the tough task of containing a public health pandemic as well as formulating swift policies to protect the most vulnerable from its adverse economic effect, a committed response to support the MSMEs is essential, imminent and key to easing the impact of the crisis for these entrepreneurs, their employees and the Indian economy as a whole.

CRITIQUE

The measures mentioned above have been introduced with the intention of improving the scope of the operations for the MSME Sector post COVID-19 Lockdown. As it can be seen in Table 2 that in the previous year, many projects have been approved i.e. 32 and only 2 have been completed. However, the following are some of the suggestions that need to go hand-in-hand with the above mentioned to be able to reap the maximum benefits:

- Creating awareness of the MSME initiative to make it viable to the masses
- Provision for being able to borrow cash from informal channels, without exploitation
- Extending period for existing loan repayment
- Government can introduce a pool of policies to interlink business transactions between the MSME circle
- Identifying dormant companies and Promote the successful MSME firms for Acquisitions

RESEARCH LIMITATION

The research aims at understanding the impact of COVID-19 Lockdown on the sustenance of the MSME Sector in India, by understanding the various direct and indirect factors that contribute to the functioning of this vast system in our country. For the purpose of gaining insights on the impacts of the lockdown- various reports published by institutions, journals, universities, economists, etc., and the surveys conducted by them have been considered but they represent a very narrow perspective to the concept as the sample used by them is very small. The results obtained and arrived at are based on the review of 30 articles for the purpose of understanding the crux of reality in functioning and operating the sector, at the grass root level.

The main limitations of this research are that it primarily based on secondary data. The data obtained is from reliable sources such as government of India Website for MSME (<https://msme.gov.in/>).

Moreover, only limited variables affecting the decision related to implementation of digital currency have been considered but in real, the concept is more complex and thus impacted by a huge number of factors which remain ignored due to lack of awareness and understanding about them. Though all the literature and articles reviewed are very recent, very rare articles are available in context of the Indian Economy and therefore, all the suggestions and findings are exploratory in nature.

CONCLUSION

By now, the significance of the functioning role of MSME sector is thoroughly established due to its innate contributions to the development of the economy is several ways. It is responsible for generating employment in the form of business opportunities, especially in rural

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1. areas. There have been a number of schemes and special economic provisions that have been made by the Central and State Governments for encouraging new start-ups, primarily focusing on student start-ups as well as SEZs. MSME firms should actively participate to encourage its employees towards cost optimization in their business process, raw material negotiations, reduction of raw material imports from other countries.
2. Despite its importance, the MSME sector has been denied a level-playing field. It has to bear the brunt of policy-induced shocks, like demonetization and GST, as also natural shocks such as those caused by covid. Reviving the sector requires not just fiscal stimulus, but also a politiceconomy approach that prioritizes MSME interests. India needs to ease the regulatory burden of small units and aid their survival through fiscal support.
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