

# Distribution of MSMEs in India: A Sociological Aspect

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## **Abstract**

*Education, employment and entrepreneurship are the three pillars of social equity. The ultimate objective of Constitution of India is to achieve social equity. Therefore, Constitution provides equal opportunity for education and employment through representation and participation of all the communities. Economic equity is essential to achieve social equity and hence state should take strong steps to achieve economic and social equity. Past studies have been focused on commercial aspects such as efficiency, effectiveness, export growth, employment and contribution towards GDP. Present study aims at considering the distribution and growth in terms of social background which finally leads to inclusive growth. The present study found that the setup of MSMEs were characterized by male, caste and geographically dominated.*

**Keywords:** MSMEs, Distribution of MSMEs, Gender Domination Geographical Distribution of MSMEs.

## **Introduction**

Education, employment and entrepreneurship are the three pillars of social equity. The ultimate objective of Constitution of India is to achieve social equity. Therefore, Constitution provides equal opportunity for education and employment through representation and participation of all the communities. Economic equity is essential to achieve social equity and hence state should take strong steps to achieve economic and social equity. In this direction, Ministry for micro, small and medium enterprises working to promote Micro, Small and Medium Enterprise (MSMEs), providing entrepreneur skill, facilitate infrastructure, promoting investment and through public-private partnership, publicity and marketing support and inclusive growth.

## **Need for the study**

Past studies have been focused on commercial aspects such as efficiency, effectiveness, export growth, employment and contribution towards GDP. Present study aims at considering the distribution and growth in terms of social background which finally leads to inclusive growth which is the paramount interest of Constitution and the objective of Ministry.

## **Objectives of the study**

The objective of the present study is to understand the social equity in terms of distribution of MSMEs among social group in India.

## Review of Literature

MSMEs are emerging as highly vibrant and dynamic sector of the Indian economy (Murthy, 2016). Venkatesh and Muthiah (2012) found that SMEs are the thrust area of future of Indian Economy. Singh et al. (2012) analyzed the performance of small scale industrial units in India and concluded that SSI sector has made good progress in registration of number of SSI units, production and employment levels. They also suggest policy changes which offers new opportunities.

## Research Methodology

The present study used secondary data. The data has been collected from Udyam Registration publication 2020-22. The registration of MSMEs, number of persons employed and MSMEs held by social category. Ministry for MSMEs bifurcated the Indian States and Union Territories into north zone, south zone, west zone and east zone as follows:

**Table 1 Zone Categorization**

Zone	States Included
<b>North Zone</b>	Jammu and Kashmir, Himachal Pradesh, Punjab, Chandigarh, UttaraKhand, Haryana, Delhi & Uttar Pradesh
<b>West zone</b>	Rajastan, Madhya Pradesh, Gujarat, Daman and Diu, Dadra & Nagar, Haveli, Maharastra & Goa
<b>South zone</b>	Andra Pradesh, Karnataka, Lakshadweep, Kerala, Tamil Nadu, Puducherry & Andaman & Nicobar island
<b>East zone</b>	Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Kharkand, Odisha & Chhattisgarh.

Further, for analysis and interpretation of data, the present study used percentage method. The present study also used the population distribution in India published by the Census 2011 which was forecasted for the year 2021. Population further bifurcated into zone wise. SC and ST population have been drawn from social welfare statistics published on September 2018. OBC population have been drawn from census 2011. The rest of the population have been considered as general category.

## Analysis and Interpretation of Data

The present study has been analyzed under: (i) Zone wise MSMEs registration; (ii) Zone Wise MSME Registration Year Wise 2021-22 (March 2022); (iii) Zone Wise Number of MSMEs Registered (Investment Wise); (iv) Zone Wise Number of Persons Employed in MSMEs; (v) Zone Wise MSMEs Distribution: Gender; (vi) Zone Wise Number of MSMEs by Social Category.

### (i) Zone wise MSMEs Registration

Table 2 presents the zone wise distribution of MSMEs in India with the population comparison. It was found that, there were 80,60,195 units of MSMEs set in India at the end of March 2022. It is interesting to note that west zone having representation of MSMEs to the extent of 41.02 percent while their population stood at 26.96 percent. Whereas, the east zone having highest population to the tune of 28.24 percent had only 13.33 percent. North zone and south zone had slight difference in MSMEs setup to their average population.

**Table 2 Zone Wise Msme Registration (Cumulative)**

Zone	North Zone	South Zone	West Zone	East Zone	Total
<b>Micro</b>	15,59,889 (20.45)	19,04,061 (24.96)	31,41,529 (41.19)	10,21,575 (13.39)	7627054 (95.14)
<b>Small</b>	86,046 (24.36)	91,357 (25.86)	132803 (37.60)	43037 (12.18)	353243 (4.41)
<b>Medium</b>	8,894 (24.78)	8,948 (24.93)	14082 (39.23)	3974 (11.07)	35898 (0.45)
<b>Total</b>	<b>16,54,829</b>	<b>20,04,366</b>	<b>32,88,414</b>	<b>10,68,586</b>	<b>80,16,195</b>
<b>Percentage</b>	20.64	25.00	41.02	13.33	100.00
<b>Percentage of Population</b>	25.34	19.93	26.96	28.24	100.00
<b>Population</b>	<b>34.50</b>	<b>27.13</b>	<b>36.70</b>	<b>38.44</b>	<b>136.13</b>

Source: Udyam Registration Publication (2020-22)

**(ii) Zone Wise MSME Registration Year Wise 2021-22 (March 2022)**

**Table 3 Zone wise MSME Registration Year wise 2021-22 (March 2022)**

Zone	North Zone	South Zone	West Zone	East Zone	Total
<b>Micro</b>	10,29,455 (20.69)	12,48,796 (25.10)	19,68,601 (39.57)	7,28,230 (14.64)	49,75,082 (96.44)
<b>Small</b>	42,170 (24.46)	45,443 (26.35)	58933 (34.18)	25886 (15.01)	1,72,432 (3.34)
<b>Medium</b>	2,783 (24.64)	2,845 (25.19)	4084 (36.16)	1582 (14.01)	11,294 (0.22)
<b>Total</b>	<b>10,74,408</b>	<b>12,97,084</b>	<b>20,31,618</b>	<b>7,55,698</b>	<b>51,58,808</b>
<b>Percentage</b>	<b>20.82</b>	<b>25.14</b>	<b>39.38</b>	<b>14.75</b>	<b>100.00</b>

Source: Udyam Registration Publication (2020-22)

Table 3 presents the zone wise registration of MSMEs during the year 2021-22. It was found that during the year 2021-22 West zone having highest number of registration with 39.38 percent while east zone having less registration of MSMEs with only 14.75 percent. The registration of MSMEs in north zone stood at 20.82 percent while in south zone registration stands at 25.14 percent.

**(iii) Zone Wise Number of MSMEs Registered (Investment Wise)**

**Table 4 Zone wise Number of MSMEs Registered (Investment wise)**

Zone	<= Rs.50 lakhs	Rs. 50+ to 1 Crore	Rs.1+ to 5 Crore	Rs.5Cr+ to 10Cr	Rs.10Cr + to 25Cr	Rs.25 Cr+ to 50Cr	Total
<b>North Zone</b>	1,604,766	23,381	21,606	3,024	1,642	410	1,654,829
	96.97	1.41	1.31	0.18	0.10	0.02	100.00
<b>South Zone</b>	1,944,972	27,146	25,772	3,774	2,165	537	2,004,366
	97.04	1.35	1.29	0.19	0.11	0.03	100.00
<b>West Zone</b>	3,204,701		37,109	5,172	2,982		833
	37,617	1.14	1.13	0.16	0.09	0.03	3,288,414
<b>East Zone</b>	1,044,537		10,406	1,354	681		189
	11,419	1.07	0.97	0.13	0.06	0.02	1,068,586
<b>Total</b>	7,798,976	99,563	94,893	13,324	7,470	1,969	8,016,195
	97.29	1.24	1.18	0.17	0.09	0.02	100.00

Source: Udyam Registration Publication (2020-22)

Table 4 presents the zone wise investment of MSMEs registration in India at the end of March 2022. 97.29 percent of the MSMEs units registered with less than 50 lakh investment. 2.68 percent of the registered units having investment between 50 lakh and 25 crore. Only 0.02 percent with 1969 units registered with 25 crore and above investment in India.

**(iv) Zone Wise Number of Persons Employed in MSMEs**

Table 5 presents number of persons employed in MSMEs. There were 6.36 crore people employed in MSMEs in India. Out of these, 4.84 crore people employed in Micro enterprises representing 76.15% of the total employment. Small enterprises provided 15.85 % of employment and medium enterprises provided 8.00 percent employment. West zone provided highest employment with 2.05 crore, whereas east zone provided least employment with only 15.60 percent. South zone provided employment opportunity to 30.79 percent and north zone provided 21.42 percent.

**Table 5 Zone Wise Number of Persons Employed in Msmes**

State/UT	Micro	Small	Medium	Total
North Zone	9,691,645	25,49,671	13,83,779	1,36,25,095
	(15.24)	(4.01)	(2.18)	(21.42)
South Zone	1,49,91,145	30,56,114	15,33,979	1,95,81,238
	(23.57)	(4.80)	(2.41)	(30.79)
West Zone	1,55,87,493	32,09,082	16,78,277	2,04,74,852
	(24.51)	(5.05)	(2.64)	(32.19)
East Zone	81,66,903	12,64,673	4,91,022	99,22,598
	(12.84)	(1.99)	(0.77)	(15.60)
Total	4,84,37,186	1,00,79,540	50,87,057	6,36,03,783
	(76.15)	(15.85)	(8.00)	(100.00)

Source: Udyam Registration Publication (2020-22)

**(v) Zone Wise MSMEs Distribution: Gender**

**Table 6 Zone Wise Msme Distribution: Gender**

Zone	Gender	North Zone	South Zone	West Zone	East Zone	Total
Micro	Male	13,10,498	14,61,256	25,94,656	8,29,115	61,95,525
		(84.01)	(76.74)	(82.59)	(81.16)	(81.23)
	Female	2,33,965	4,24,405	5,20,046	1,85,289	13,63,705
		(15.00)	(22.29)	(16.55)	(18.14)	(17.88)
	Other	15,426	18,400	26,827	7,171	67,824
		(0.99)	(0.97)	(0.85)	(0.70)	(0.89)
Total	1559889	19,04,061	31,41,529	10,21,575	76,27,054	
		(100)	(100)	(100)	(100)	(100)
Small	Male	74,183	75,265	1,13,433	36,926	2,99,807
		(86.21)	(82.39)	(85.41)	(85.80)	(84.87)
	Female	7,920	11,522	12,321	4,204	35,967
		(9.20)	(12.61)	(9.28)	(9.77)	(10.18)
	Other	3,943	4,570	7,049	1,907	17,469
		(4.58)	(5.00)	(5.31)	(4.43)	(4.95)
Total	86,046	91,357	1,32,803	43,037	3,53,243	
		(100)	(100)	(100)	(100)	(100)

<b>Medium</b>	<b>Male</b>	7,144 (91.26)	7,170 (80.13)	11,538 (81.93)	3,499 (87.85)	29,351 (82.31)
	<b>Female</b>	399 (5.1)	606 (6.77)	597 (4.24)	198 (4.97)	1,800 (5.05)
	<b>Other</b>	1,102 (14.08)	1,172 (13.1)	1,947 (13.83)	286 (7.18)	4,507 (12.63)
	<b>Total</b>	8,645 (100.00)	8,948 (100.00)	14,082 (100.00)	3,983 (100.00)	35,658 (100.00)
<b>Total</b>	<b>Male</b>	13,59,160 (84.16)	15,43,691 (77.02)	27,19,627 (82.70)	9,02,205 (81.40)	65,24,683 (81.39)
	<b>Female</b>	2,35,789 (14.6)	4,36,533 (21.78)	5,32,964 (16.21)	1,96,186 (17.70)	14,01,472 (17.48)
	<b>Other</b>	20,112 (1.25)	24,142 (1.20)	35,823 (1.09)	9,963 (0.90)	90,040 (1.12)
	<b>Total</b>	16,15,061 (100.00)	20,04,366 (100.00)	32,88,414 (100.00)	11,08,354 (100.00)	80,16,195 (100.00)

**Source:** Udyam Registration Publication (2020-22)

Table 6 presents the distribution of MSMEs by gender in India. It was found that male enterprises dominated on an average of 81.39 percent whereas female enterprises holding 17.48 percent in India. Unidentified enterprises accounts for 1.12 percent throughout India. It was also found that female enterprises accounts for 17.88, 10.18 and 5.05 percent in micro, small and medium enterprises respectively. Further, their percentage stand at 14.60, 21.78, 16.21 and 17.70 in north, south, west and east zone respectively. It is also interesting to note that female representation is more in south zone than any other zones.

**(vi) Zone Wise Number of MSMEs by Social Category**

Table 7 presents the distribution of MSMEs among the social category in India. All the zones combined together, general category of population represents 30.77 percent holds 61.82 percent of MSMEs units. Other backward category population represents 44.00 percent of the population holds only 29.08 percent of MSMEs units. Whereas, Scheduled caste represents 16.63 percent of the population represents only 6.78 percent of the MSMEs units. It is pathetic to note that Scheduled Tribes do not have any representation by the figures states that their population stands at 8.60 percent holds only 2.09 percent of MSMEs units. It is also interesting to note that in east zone ST population was 13.28 percent but their MSMEs holding stands only at 4.53 percent of the total MSMEs in east zone.

Scheduled caste had 7.23 percent of MSMEs holding in south zone and east zone and least holding in west zone with only 6.20 percent of units. Scheduled tribes has more representation in east zone with 4.53 percent of units and least representation of below 1 percent of MSMEs units. Other backward communities hold highest MSMEs in south zone and lowest holding in north zone with 37.36 percent and 21.49 percent of MSMEs units. General category of population represents below 35% of the population holds more than 50% of the MSMEs units all over India.

**Table 7 Zone Wise Number of Msmes by Social Category**

Zone	Particulars	Gen	SC	ST	OBC	Un identified	Total
<b>North Zone</b>	No. of Units	11,64,620	117,075	12,846	355,686	4602	1654,829
	% of Units	70.38	7.07	0.78	21.49	0.28	100.00
	% of Population	25.16	20.95	1.10	42.79	-	100
<b>South Zone</b>	No. of Units	10,65,550	144,883	39,921	748,859	5153	2004,366
	% of Units	53.16	7.23	1.99	37.36	0.26	100.00
	% of Population	18.82	16.62	4.56	61.00	-	100
<b>West Zone</b>	No. of Units	21,22,626	204,016	66,538	889,149	6085	3288,414
	% of Units	64.55	6.20	2.02	27.04	0.19	100.00
	% of Population	33.39	12.96	14.03	39.62	-	100
<b>East Zone</b>	No. of Units	6,03,127	77,312	48,384	337,608	2155	1068,586
	% of Units	56.44	7.23	4.53	31.59	0.20	100.00
	% of Population	34.03	16.25	13.28	36.44	-	100
<b>TOTAL</b>	No. of Units	49,55,923	543,286	167,689	23,31,302	17995	8016,195
	% of Units	61.82	6.78	2.09	29.08	0.22	100.00
	% of Population	30.77	16.63	8.60	44.00	-	100

**Source:** Udyam Registration Publication (2020-22)

### Conclusion

The present study found that regionally the setup of MSMEs units were imbalanced. It was also found that 81.39 percent of enterprises holds by male and 17.48 percent of enterprises holds by female conveyed that it was dominated by male. The distribution of MSMEs among social category was also imbalanced. ST population represents 2.09 percent and SC population represents 6.78 percent of MSME units established throughout the India. Whereas OBC holds 29.08 percent MSME units but their population represents 44.00 percent. General category represents only 30.77 percent of the population but holds 61.82 percent of the MSMEs which showed that overrepresentation. In nutshell, the setup of MSMEs were characterized by male, caste and geographically dominated.

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