

Opportunities in Tribal Entrepreneurship & MSMEs

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Abstract:

For the economic development of a country Micro, small and medium enterprises (MSMEs) play an essential role. With the low capital cost, the major advantage of MSMEs is job creation and employability universally, for economic growth of country and promoting equitable development. The MSMEs have been established as the engine. The labor force of the MSME sector is much higher than that of the large business enterprises. MSMEs sector plays the role of one of the biggest contributors to GDP rate, job creation and for supply chain of large business. The purpose of this paper is to find out the factors which are influencing the performance of Micro, Small and Medium Enterprises (MSMEs) in the tribal Areas of India. This Article intends to

understand how the tribal entrepreneur's faith in sustainability encourages them to develop and enhance business opportunities.

Keywords: MSMEs, Entrepreneurs, Enterprises, innovation, Business, Growth, Economic.

Introduction:

The size of any business depends on the owner's total capital. Small Businesses business does not need lots of money, a smart entrepreneur can start his work with small amount of money the main thing he needed is a unique Idea. Small business mainly consist toy making, Jewelry making, furniture making, cloth and Garment manufacturing, repairing work, educational classes etc. Variety of unique ideas comes from a great entrepreneurs mind, form the community of people and so come the process of business, which does not only depend on the idea but the sufficient amount of capital, work places, proper investments, market, competitions, surroundings and many things. MSME and Tribal entrepreneur's group are mainly dependent on the crops and the products related to the agriculture. People with ideas mainly are working from homes i.e handmade materials and handicrafts.

Micro, Small and Medium enterprises contribute to the expansion of foreign exchange earnings with slightly import-intensive operations. Indian SMEs play an important role for the progress of a country through domestic production, significant export income, low investment requirements, competition in domestic and export markets and high contribution to generate new entrepreneurs by providing knowledge and training. SMEs that have a strong technical base, innovative, international business outlook, competitive spirit and willingness to restructure can easily fight the current challenges. MSMEs constitute more than 70% of total enterprises in most economies. MSMEs credited with creating the huge rates of employment growth and account for the major share of industrial growth and exports. Even in Tribal Areas, MSMEs play a significant role in the overall industrial economy of the country.

Estimated Number of MSMEs (Activity Wise)

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

Note: *Non-captive electricity generation and transmission and distribution by units not registered with the Central Electricity Authority (CEA)

State-wise Distribution of Enterprises:

S No	State/UT	Estimated Number of MSMEs	
		Number (in lakh)	Share (in %)
1	Uttar Pradesh	89.99	14
2	West Bengal	88.67	14
3	Tamil Nadu	49.48	8
4	Maharashtra	47.78	8
5	Karnataka	38.34	6
6	Bihar	34.46	5
7	Andhra Pradesh	33.87	5
8	Gujarat	33.16	5
9	Rajasthan	26.87	4
10	Madhya Pradesh	26.74	4
11	Total of above ten	469.36	74

	States		
12	Other State/UTs	164.52	26
13	All	633.88	100

In recent years the MSME sector has registered a consistently higher growth rate than the overall industrial sector. With its agility and mobility, the region has shown commendable innovation and adaptability to survive the recent economic recession and recession. According to the available data (fourth census of MSME sector), the sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, the MSME sector accounts for about 45% of the production and about 40% of the country's total exports.

If we talk about tribal entrepreneurship, then it is really tribal people, instead of assuming that economic development is the job of government, see entrepreneurship as rebuilding communities and families and participating in restoring the nation's economy. Take it. Find ways to demonstrate tribal support for entrepreneurs.

Distribution of Tribal Entrepreneurship and MSMEs:

MSMEs and Tribal Enterprises now a day's reaching to the new heights by connecting agriculture and forest produce with markets, it's using technology, creations of self help groups, for the same they are empowering women, they are now creating self sustainable enterprises, A Number of Tribal Entrepreneurs are now changing the face of Tribal areas.

Male/ Female Ownership

Out of 633.88 lakh MSMEs, 608.41 lakh (95.98%) MSMEs were proprietary enterprises. There has been overwhelming predominance of male owners in 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 as compared to rural areas (81.58% as compared to 77.76%).

Percentage Distribution of Enterprises in rural and urban areas

(Male/ Female ownership category wise)

Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

Source: Annual Report 2018-19 Ministry of Micro, Small and Medium Enterprises

(Government of India)

Percentage distribution of Enterprises by Male/Female Owners

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

Source: Annual Report 2018-19 Ministry of Micro, Small and Medium Enterprises

(Government of India)

MSME industries are not only providing jobs but also promoting entrepreneurship. Even the ministry of Micro Small and Medium groups has taken several initiatives in the same to simplify the process of registration for MSMEs. Our countries MSME policy launched by government will follow the thought of no difficulty of doing business and amended labor laws, besides providing facilitation center, better incentives and tax relaxations for industrial growth

Ownership of Enterprises Social Category Wise:

Socially backward groups account for about 66.27% of the MSME, although it may have a much larger share attributed to ownership of OBC in 49.72%. Representation of SC and ST owners in MSME The sector was lower at 12.45% and 4.10% respectively. In rural areas, about 73.67% of MSME Socially backward groups were owned, of which 51.59% belonged to OBCs. In urban Regions, about 58.68% belonged to socially backward groups of which 47.80% were To OBC.

Table 2.6: Percentage Distribution of enterprises by social group of owners

Sector	Rural	Urban	All
SC	15.37	9.45	12.45
ST	6.7	1.43	4.1
OBC	51.59	47.8	49.72
Other	25.62	40.46	32.95
Not Known	0.72	0.86	0.79
All	100	100	100

Source: Annual Report 2018-19 Ministry of Micro, Small and Medium Enterprises

(Government of India)

**Percentage Distribution of Enterprises by Social Group of the Owner and
Category of Enterprise**

Sector	Micro	Small	Medium	All
SC	12.48	5.5	0	12.45
ST	4.11	1.65	1.09	4.1
OBC	49.83	29.64	23.85	49.72
Other	32.79	62.82	70.8	32.95
Not Known	0.79	0.39	4.27	0.79
All	100	100	100	100

Source: Annual Report 2018-19 Ministry of Micro, Small and Medium Enterprises

(Government of India)

Objectives of the Study:

The objective of the Paper is to highlights the status of MSMEs and entrepreneurship in Tribal areas and the growth of Small and Micro businesses in the country. The choices of business and ideas and the opportunities along with the obstacles face the same group of people to be shown and highlighted. Undoubtedly the government has taken so many actions for the growth of these areas but till what extent these people are able to utilize and take benefits of the same. Same goes with the Small and Micro businesses in the county is been studied and explored. The main objectives of the paper are:

- To study the Role of Entrepreneurs in economical development of country.
- To analyze the factors affecting of SMEs sector in India.
- Find out the problems facing by MSMEs.
- To study the steps taken by our government for MSMEs sector the SMEs business to enhance the economic growth.

Review of Literture:

Shah(2018) the author concludes that the intersections of cooperation described above have an important general feature. The process of enabling sustainable livelihoods through various interventions is always accompanied by the production of new knowledge while preserving indigenous knowledge. In the last 12 years of activity, the artisans of Tripura not only distributed new technological artifacts, but also those valuable Also accumulated knowledge, scattered across communities, which gave birth to new tribal entrepreneurs.

Singh (2014) the writer states that SMEs play an important role as one of the growth engines of the Indian economy. In fact, they are playing an important role in the socio-economic development of the country, with SMEs prevailing market conditions to facilitate further

achievement and streamline objectives related to large scale employment generation, low investment etc, Will need to align its offerings.

Pravesh (2016) in this article the writer states that tribal entrepreneurs are facing many challenges for survival or survival in the competitions market. They do not have the infrastructure facilities to liquefy their business idea or expand the existing enterprise. They are facing financial challenges to start or disseminate their production process. Tribal entrepreneurs have traditional skills and expertise that must be updated with new innovative techniques of production. A networking and exchange system should be promoted by the government or tribal entrepreneurs to exchange their services and consultations between them. Both the central and state governments will be more interested in the promotion and development of tribal entrepreneurship. A separate tribal chamber of commerce should be established by the government or tribal entrepreneurs in the country.

Tambunan (2019) the authors point out that in the end, the findings of this study are important for policy makers, not only in Indonesia but also for other developing countries for two main reasons. First, with their vast numbers, MSMEs are indeed very important not only as a source of employment, but, possibly, as an engine of growth for the economy. Second, MSE is a good start for the development of women entrepreneurs. This means that these enterprises have an important role in promoting women empowerment in developing countries, which is one of the important goals of the Sustainable Development Goals (SDGs) these days.

Behera (2018) the auteur states that MSMEs are an integral part of the Indian economy. Major sources of finance used by MSMEs, and we find that most MSMEs use their own capital. MSMEs have faced a situation due to excessive competition from large industries due to withdrawal of subsidies, lack of infrastructure, anti-dumping policy, challenges on product standardization, total quality management etc. by promoting the protection of MSMEs.

Kachhal (2017) the book contains several articles about micro, small and medium enterprises that play an important role in the economy of every country. They help to generate employment in an unskilled, semi-skilled and efficient style, at a lower capital cost as these units are basically labor intensive. They also sustain rural economies as many of these products are developed indigenously in rural areas. Products are generally so unique that they offer great potential for export and thus generate revenue in international currency. Due to low production costs and cottage industries like the work environment, they can also hold themselves up during economic instability. The MSME sector has considerable potential and potential to propel the Indian economy. With little support from the government and financial institutions, these units are on course to become pillars of development.

Saini (2014) the study concludes that finance is a major obstacle in the development of micro, small and medium enterprises. The lower and middle class are able to lift themselves out of poverty; It is ambitious and proactive to start new ventures and start businesses but due to lack of capital most of the ideas are being dipped in the bud. This not only discourages aspiring entrepreneurs, but also supersedes the growth of existing firms. In fact many other factors slowing growth arise due to lack of finance. For example, technological upgrading becomes a problem only because firms lack sufficient capital to install new machines, pay high wages to skilled workers, etc. They can be hired.

Shivakami (2019) this article has been concluded on the basis of the study and recommends the findings that MSMEs require female entrepreneurs in the areas to increase their market share by focusing on internal marketing competencies for their sustainability Make internal marketing the main factor. Become a member of the marketing avenue and marketing platform created by M / o MSMEs for networking. Create and form an association of MSMEs by government bodies in the form of networking, referral groups to achieve large scale benefits and improve their industrial relations. Successful women entrepreneurs are encouraged to become mentors and role

models because such relationships have a tremendous impact on other women's business successes.

Factors Affecting Performance of Tribal Entrepreneurship and MSMEs:

The small-scale business sector has emerged as an engine of economical development. MSMEs in India have played a catalytic role in the economic transformation of the country and its rural and tribal areas too. The region has demonstrated tremendous potential for employment generation, greater resource utilization efficiency and technological innovation, to promote inter-regional connectivity, increase exports and reduce regional imbalances. But entrepreneurs are still facing many problems to establish themselves as a part of the MSMEs sector. Here are some factors affecting the Entrepreneurs of Tribal communities:

- i. **Traditional Society:** most of our tribal Society suffers from superstitions, traditions, customs, and religion and cast discriminations.
- ii. **family Jobs:** In rural areas selections of work and occupation and even the business has a tendency of following the hereditary adoption, caste system, religious and sex differentials, which affect the ideology and capacities of the individuals.
- iii. **Lack of Entrepreneurial spirit:** In tribal areas one of the most draw back being in community is people don't come up with their own ideas but they just keep following their insisters and groups of small works for their livelihoods.
- iv. **Lack of Basic Infrastructure:** In rural areas of our country people mainly suffer with the basic facilities which prevent them from staring new business and implementing their ideas. These basic facilities mainly include transportation, telecommunication, people with knowledge, and basic needs of daily life given by government.
- v. **Unproductive Expenditure:** Tribal people either keep their income hidden or they spend the money for unproductive expenditure like marriages, relatives' functions and traditional occasions and celebrating other events or them mostly invest their additional incomes in Ornaments rather investing the money in some new business ideas.
- vi. **Lack of Education Training facilities** : In Tribal communities of india the Literacy level and sources of Education are very less and due the lake of educational resources people

hardly get to know about the world' economy, Idea and they hardly could relate themselves to outer world which does not let them to come across their boundaries of occupations.

vii. **Environmental Factors:** The environment and surrounding cause the barriers in development of the ideas and specially in the tribal and rural area these are the main barriers for an individual to start with something new and different from others' opinion.

viii. **Social and Cultural factors:** Socioeconomic factors have also proven as big obstacles in the development of entrepreneurial ideas of individuals.

ix. **Competitions with Big Industries:** when small groups of people or a small business of owned/started by an individual comes in the market it has to face the big industries and faces off with the new challenges.

x. **Lack of Techno structure:** In tribal and similar rural areas small, Micro , Tribal businesses people may be efficient with their efforts and ideas but what they stick at while trying to meet the modern market and their product requirement is the Technology.

- xi. Proper Storage, designing, well packaging facility.
- xii. Limited capital
- xiii. Lack of availability of adequate and timely credit
- xiv. High cost of credit
- xv. Availability of raw materials at a competitive price
- xvi. Lack of market knowledge.
- xvii. Lack of access to global markets
- xviii. Low technology knowledge levels
- xix. unavailability of power, water, roads modern technology
- xx. Lack of skilled manpower for service and production
- xxi. Job "Lockins", "Golden Handcuffs" for well salaried job.
- xxii. Complacency (lack of motivation)
- xxiii. Lack of business know-how.
- xxiv. Lack of viable concept.
- xxv. Monopoly- Protectionism.
- xxvi. Complex Legal constraints.

xxvii. Time Pressures makes Distracter with the job.

Initiatives taken by our Government:

A number of tribal people are now changing the face of Tribal areas; they are turning the problems into opportunities. A big rise is being shown in the entrepreneurship across Tribal areas of India. To celebrate these entrepreneurs and build greater dialogue around the problems of tribal and rural areas, along with their methods and approaches, NITI Aayog organized India's first Global Tribal Entrepreneurship Summit in Dantewada, Chhattisgarh, on November 14, 2017. The summit aimed to inspire, nurture and promote the spirit of entrepreneurship among the tribal youth at addressing poverty, malnutrition, low literacy and poor health using the power of enterprise and technology.

So many policies related to SMEs are intended to encourage inter-industry and inter-regional relations, which promotes focused cluster development and will increase inter-dependence. "Implementation of Micro, Small and Medium Enterprises Development ("MSMED") Act 2006". All the welfare and subsidy schemes of the Government of India have been brought under Direct Benefit Transfer (DBT), which is aimed at revamping the existing process in welfare and subsidy schemes, to ensure more accurate targeting for simple and fast flow of funds.

As a nodal point for the implementation of DBT programs, the DBT Cell has been formed in the Ministry. In 2018-19, all 20 schemes of the Ministry of MSME were on the DBT India portal, out of which 1 scheme (ie Coir Uday Yojana Scheme) has been included in the Prime Minister Employment Generation Program (PMEGP). The schemes are classified based on the beneficiary's benefit type, namely, cash, in-kind or overall (i.e. cash and type).

List of government schemes for MSMEs sectors

Name of the Scheme	Benefit type	Total no. of Beneficiaries (2018-	Total no. of Beneficiaries (2018-
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		19)	19)
ATI Scheme (Training Component)	In Kind	3720	3.31
Marketing Assistance Scheme	Cash	147	84.67
Coir Udyami Yojana	Cash	232	55.05
MPDA Grant to Khadi Institutions	Cash	218597	241.02
Cash 218597 241.02	Cash	70	0.3272
SFURTI- SI	In Kind	759	0.0288
Prime Ministers Employment Generation Program (PMEGP)	Cash	73427	2070.00
Credit Guarantee Scheme	In Kind	433520	822.59
National Awards	Cash	0	0
MDP-EDP-Skill Development	Cash & In Kind	2678	0
Zero Effect Zero Defect (ZED)	Cash & In Kind	12555	8.5
Technology and Quality Up gradation Support Through MSMEs (TEQUP)	Cash	63	5.02
Procurement and Marketing Support Scheme (PMS) Excluding Vendor Development	Cash	352	1.84

Programmer and International/ National Workshop/ Seminar/ Awareness programs.			
Credit Linked Capital Subsidy Scheme (CLCSS)	Cash	14155	973.15
IPR Building Awareness on Intellectual Property Rights for MSMEs	In Kind	0	0
Lean Manufacturing Competitiveness Scheme for MSMEs In Kind 2079 13.59 17	In Kind	2079	13.59
Design Clinic Scheme for Design Expertise to Micro, Small and Medium Enterprises	Cash	49	1.19
Incubation Centre Support for Entrepreneurial and Managerial Development of SMEs through Incubators	In Kind	0	0
Performance and Credit Rating Scheme	Cash	0	0

International Cooperation (IC) Scheme	Cash	590	4.80
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Source: Annual Report 2018-19 Ministry of Micro, Small and Medium Enterprises

(Government of India)

Digital Transaction for the Ministry of MSME and its attached Offices (2018-19)							
S No	Name of the organiz- ation	Ministry of MSME and its attached Offices (2018-19)					
		Total		By Digital Means		Percentages	
		No of Transactions	Value in Rupees (In crores)	No of Transactions	Value in Rupees (In crores)	No. of Digital Transactions (in %)	Value of Digital Transactions (in %)
1	KVIC	5597197	6762	4601023	6494	82.20%	96.03%
2	NSIC	256338	49250	224474	47308	87.57%	96.06%
3	DC office (Tool Room+DI offices+H Q)	100675	2976	84999	2838	84.43%	95.33%
4	COIR BOARD	24619	168	20855	160	84.71%	95.18%
5	NIMSME	4118	29	3051	17	74.09%	60.89%

6	MGIRI	1224	15	1076	14	87.91%	95.46%
7	TOTAL	5984171	59200	4935478	56831.7	82.48%	96.00%

Source: Annual Report 2018-19 Ministry of Micro, Small and Medium Enterprises

(Government of India)

Findings and suggestions:

The government delivery system has to be reformed for Reduction of beneficiaries, de-duplication and fraud. Lack of access to new and improved technology has prevented Indian MSMEs from growing at a rate equal to their capacity. The Ministry of MSME can provide the following support to MSMEs for technology up gradation: Access to foreign technologies Promoting low-cost ICT solutions: MSMEs in procurement of complete and low-cost ICU solutions to the Ministry of MSMEs in India to improve their capacity should facilitate and productivity. Awareness of these tools should also be increased among MSMEs support for research and development. Provide international partnership opportunities for industries and groups where Indian MSMEs have an inherent competitive edge. The progress of MSME clusters involves the support of large firms to large enterprises: a long-term plan should be made by the Ministry of MSME to develop and build long-term contacts with large enterprises and research supply institutions e-governance and e-governance. The procurement of e-governance and e-procurement is essential for easy compliance: MSMEs must be provided with an online mechanism to conduct all necessary transactions to conduct business in the domestic and international markets. The government should provide online access to rules and regulations, electronic methods for registration and receipt of electronic applications, certificates, licenses and incentives for the key to entrepreneurship development in India.

Conclusion:

These days MSMEs and Entrepreneurs are facing many problems, the problems are not about Fund related but lack of knowledge, lack of technology, cut throat competition lack of knowledge of government policies. In the era if globalization Indian MSMEs needs to do certain extent, but still Indian MSMEs and tribal entrepreneurs are unable to compete. Government needs to change these attitude for making a positive change for MSMEs and tribal entrepreneurs, of course government has taken several policy initiatives but still there are some

need of proper co-ordination and implantation of government schemes, because with proper guidance MSMEs and tribal entrepreneurs can convert challenges in to opportunities.

MSMEs play an important role as one of the growth engines of the Indian economy. In fact, they are playing an important role in the socio-economic development of the country, with SMEs prevailing market conditions to facilitate further achievement and streamline objectives related to large scale employment generation, low investment etc. Will need to align its offerings. The major key players that can strengthen the innovation capacity in SMEs are the government, educational system and end users. The future will see growth of SMEs as a result of the growing economy and continued efforts of the entrepreneur. If these small businesses need to survive with the big giants, they will need to retain their key people and ensure that they have a clear vision, goals and career in order to contribute to the organization in the long run.

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