

Human Resource Management through Micro Small and Medium Enterprises for Economic Empowerment of Scheduled Castes (SCs) and Scheduled Tribes (STs) in Andhra Pradesh

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The Paper highlights on micro, medium, small enterprises work done of Scheduled Castes (SCs) and Scheduled Tribe (STs) are economic empowerment of human resource management in Andhra Pradesh.

INTRODUCTION

Micro, Small and Medium Enterprises (MSME) sector plays a prominent role in the rural development by providing employment and income generation activities to economically and socially marginalised sections. Faster growth rate may not reach the root level of society, most of socially and economically marginalised sections have been not benefiting from bumper growth rates. Most of large scale industries excluded economically and socially marginalised sections of the society, especially poor, SC, ST and women. Among the Micro, Small, Medium Enterprises (MSME), microenterprises act as a best empowerment tool for the socially marginalised sections like, schedule caste and schedule tribes. The Micro, Small and Medium Enterprises (MSME) sector having two special characteristics, first one is low capital requirement and second one is traditional way of doing business. These two special characteristic of MSME sector provides more entrepreneurial skill and employment to poor, SC, ST and women in rural area. Microenterprises have been giving solution for the problem of disguised unemployment in rural segments by providing income and employment generation. The present study is mainly examines the role of micro enterprises on social inclusion in MSME sector of Andhra Pradesh. The Present study is based on secondary data and analytical in nature, have used simple statistical tools like compound annual growth rates, average annual percentages changes to analyse role of micro enterprises on social inclusion in MSME sector of A.P.

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For inclusive growth of the Indian economy, Ministry of MSME, Govt. of India has launched National Scheduled Caste Scheduled Tribe Hub (NSSH) scheme. It is aimed at capacity enhancement and promoting “entrepreneurship culture” amongst the SC-ST population for enhancing their participation in the public procurement. It is being implemented by National Small Industries Corporation (NSIC), a CPSE under the Ministry of MSME. Given the impact of MSMEs on our economy, it is imperative that focused efforts are given to promote entrepreneurship amongst the youth and create a conducive ecosystem where they play an integral role in development of Indian economy to realize the 5 trillion USD economy. Nurturing the MSME sector is important for the economic well-being of the nation. M/o MSME is consistently working to empower MSMEs for sustainable growth and to become compatible in the global value chain.

To Encourage Employment Creation, NitinGadkari Plans an MSME Credit Scheme

The Micro, Small and Medium Enterprises (MSMEs) contribute 29 per cent to India's GDP and generate employment opportunities for over 100 million people. If the CII survey is to be believed the sector has created the most number of jobs in the past four years. However, it has the potential to employ more, especially from the lower-income groups. Small businesses are always in need of labour workers to carry out mealy operations. Lack of technological advancements has left the sector in advantage for creating job opportunities for unskilled individuals, who would otherwise be jobless. As corporations automate most of their operational practices, the onus to employ the tribal population falls over the backbone of Indian economy – MSMEs. The dilemma lies in the financials as MSMEs find it hard to acquire loans from financial institutions. Government and NBFCs have been providing required support to fight this credit crunch. In the new initiative, the government is working out on a new credit scheme for MSMEs to encourage job creation, with special focus on the scheduled castes and tribes.

MSME Credit Scheme:

The Minister of MSMEs, NitinGadkari while answering questions on the sector's credit availability in RajyaSabha stated that under the scheme the credit limits of World Bank and Asian Development Bank will be used to provide

loans to small and medium enterprises that will help provide employment opportunities to the poor. With the aim of bringing MSME's GDP contribution to 50 per cent, "The government is working on bringing a new scheme that would provide employment opportunities as talks are on with the World Bank and Asian Development Bank and their credit limits would be used to provide credit to SMEs,". The policy would reportedly be operational within a month as "the government was evolving such a scheme that would lay emphasis on creating more employment opportunities, with special focus on scheduled castes and scheduled tribes. Emphasis will also be laid on tribals and rural agriculture-related activities.

Loans in 59 Minutes:

Among the biggest steps taken for MSMEs, the government announced '59 minute' loan scheme in 2018 promising loans of up to INR 1 crore from public sector banks (PSBs) through an online lending marketplace called 'psbloanin59minutes'. The portal approves a loan in 59 minutes and connects the borrower to the bank branch for sanction and disbursement. It is also informed the House that a portal www.psbloansin59minutes.com has been launched by a public limited company, 'Online PSB loans Ltd' in which SIDBI and other public sector banks hold majority stake. The portal initially provided in-principle approval of loans for amounts up to INR 1 crore but recently some banks have started considering loans of up to Rs 5 crore. The same portal has tied up with 20 public sector banks, four private sector banks and a cooperative bank and is helpful in integrating the income tax, GST and bank accounts of those seeking loans that lend credibility to the credit giving system. A total of 55,635 cases with total loans of INR 16,174 crore have been sanctioned principally under the portal as on March 31, 2019 and a total of INR 12,683 crore has been financially sanctioned in 45,216 cases. So far, a total of Rs 4,746 crore has been disbursed in 20,303 cases.

Steps taken by Governments:

Empowerment of the socially disadvantaged group viz the Scheduled Caste continues to be on the priority list of the Country's development agenda. The framers of the constitution made arrangements for their equal status in the society and empowered the states to make special provisions for the advancement for these socially economically and educationally backward classes people. Before the Sixth Five Year Plan no clear strategy for the economic development of Scheduled Caste existed notwithstanding the fact that formal decisions were taken for earmarking of outlays in their favour in proportion to their population. The only funds available upto the end of 1979-80 for development of SCs were provided under the Backward Classes sector. Since the members of SCs have been historically too weak to take initiative, it is the State which has to take remedial measures to correct the society's inbuilt discrimination against them. Traditionally the SCs have been trapped in the circle of deprivation due to the caste structure. The SCs have been usually engaged in unpleasant and menial jobs. It is in this segment of society that one finds greater illiteracy, poorer health, poorer nutrition, poorer housing, as well as exploitation by large land-holders generally the upper and middle level castes, money-lenders, village traders and businessmen. In spite of constitutional directives and a number of legislative and executive measures taken by the Government, the situation of the Scheduled Caste did not improve appreciably during the period prior to Sixth Plan mainly due to lack of economic support.

The state and Union Governments have been spending large sums on the Socio economic development of the Scheduled Castes, but we can see that the gap between SCs and the others is still very large in the entire spectrum of human development indices, from literacy rate, to ownership of pucca dwellings, to having access to potable water to access to electric connection to sanitary latrines. One of the reasons could be that the plan allocations booked under SCSP have been made not for SC specific schemes as envisaged but for general schemes and programmes which are essential for good governance like building infrastructure. These schemes are governance goals and differ from the goals of Scheduled Castes welfare or development. State level conclaves will help the SC-ST MSMEs to expand their horizons by incorporating new ideas as they become aware of the various interventions given by the Government. The MSME sector is an important pillar of Indian economy as it contributes greatly to growth of Indian economy with a vast network of around 30 million units, creating employment of about 70 million, manufacturing more than 6000 products, contributing about 45% to manufacturing output and about 40% of exports, directly and indirectly. There was a long pending demand from the sector to redefine MSME definition. Credit Linked Capital Subsidy for Technology Upgradation (CLCSS) To facilitate technology to MSEs through institutional finance for induction of well-established and proven technologies in the specific and approved 51 sub-sector/products.

Any Micro and Small Enterprise (MSE) having valid Udyam Registration and availing institutional credit to buy new Plant & Machinery approved under the scheme. Special Benefits are applicable in case of SC/ST, Women, NER / Hill States / Aspirational Districts /LWE Districts. The subsidy shall be admissible for investment in acquisition /replacement of Plant & Machinery /equipment's & Technology up-gradation of any kind (Core plant & Machinery). Second hand & fabricated will not be eligible. To motivate young person's representing different sections of the society including SC/ST/ Women, Physically Handicapped, Ex-servicemen and below poverty line (BPL) persons to consider self-employment or entrepreneurship as one of the career options.

Entrepreneurship and Skill Development Programme (ESDP), To promote new enterprises, capacity building of existing MSMEs and inculcating entrepreneurial culture in the country Industrial Motivational Campaign (IMC): One - two day activity, for 50-100 persons within an expenditure of Rs 20,000 • Entrepreneurship Awareness Programmes (EAPs): Two week activity with an intake capacity of 25 persons, within expenditure limit of Rs. 50,000 • Entrepreneurship-cum-skill Development Programmes (E-SDP): Six weeks activity aimed at conducting special entrepreneurship development programmes for new livelihood enterprise creation and rural enterprise development.

Prime Minister's Employment Generation Programme (PMEGP) The intake capacity for the programme is 25 participants with an expenditure limited to Rs 1,25,000. Management Development Programmes (MDP) and Mega Events: One week activity aimed at capacity building of MSMEs. The intake capacity of the programme is limited to 25 participants within an expenditure limited to Rs. 50,000. Mega events is considered for larger audience at national level. Micro and Small Enterprises Cluster Development Programme (MSE-CDP), Micro and Small Enterprises Cluster Development (MSE-CDP), Support to State Innovation Cluster Development Programme. The Government of India fund would be limited to State Government share or Rs. 5.00 Crore whichever is lower and the assistance would be 90% of project cost in respect of CFC projects in North-East/Hilly States, 10 Island territories, Aspirational Districts/ LWE affected Districts, as well as for projects where beneficiaries are SC/ ST/ Women owned enterprises.

Procurement & Marketing Support to MSMEs, Financial assistance. Participation of Individual MSEs in domestic trade fairs/exhibition: 80% of space rent paid for general category units and 100% for SC/ST/women/NER/PH units limited to Rs. 1.5 lakh for class A city; Rs 1.00 Lakh for class B/J&K/NER/Hilly states and for other cities Rs 0.80 Lakhs -or actual whichever is less. Amendment to this policy mandates 25% annual procurement from MSEs by Central Ministries /Departments/Central Public Sector Enterprises (CPSEs) including 4% from MSEs owned by SC/ST and 3% from MSEs owned by Women entrepreneurs. The Public Procurement Policy is applicable for manufacturing of goods and services rendered by MSEs. Traders/ sole agent/ distributor are excluded to avail the benefits of Public Procurement Policy and works contract is not covered under the purview. The benefits/facilities provided to all registered MSEs are:-

- Tender set free of cost.
- Exemption from the payment of Earnest Money Deposit.
- In tender, participating MSEs quoting price within price band of L1+15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where price is from someone other than a MSE and such MSE shall be allowed to supply at least 25% of the total tendered value.
- 358 items reserved for exclusive procurement from MSEs. • Relaxation of norms for start-ups and the MSEs in Public Procurement Policy on prior experience- prior turnover criteria.

Skill Upgradation

The coverage outlines that the Andhra Pradesh Government could create a model that would aid in the improvement of professional manpower and enhancing employability inside the State. The model so created might permit the nation to pick out the quantum requirement of a professional team of workers along with the desired industry-unique talent sets and provide courses at specific levels of schooling. The Government might refund part of the price worried inability upgradation and education of local manpower. It may be referred to that such reimbursements are restrained to a sum of Rs. 5000 for every ten humans in micro and twenty persons in small and medium industries.

Quality Development/Complete Production Interventions

The policy encourages MSMEs to adopt excellent development interventions including the relevant upgradation of current technologies and installation of recent technologies for best control, environment-pleasant productions, the overall performance of water and electricity audits, exceptional certifications, and the likes of it. For the implementation of these measures, MSMEs may avail the assistance of identifying institutions. The Government could provide a furnish of 50% restrained to Rs. 1 lakh for water audits and Rs. 2 lakhs for strength audits to micro and small organizations.

Comprehensive Marketing Support

The policy envisages complete-fledged authorities support for market development activities and places sizeable emphasis on the domain. Assistance could be rendered to MSME institutions for investment marketplace research, marketplace introduction efforts, first-class development efforts, and the propagation of statistics to MSMEs.

Employee benefits in MSMEs

The benefits most frequently reported by employees of MSMEs included "catering", which in the summary of all results highly out-ranked all other mentioned categories. The "catering" benefit definition included all sorts of

contributions to meals at work, including but not limited to the “meal vouchers” or company canteens, or all sorts of refreshments provided at workplaces or drink offer. Education, languages; and “education, team building”) and were left separate. “Sports and culture” represented a wide spectrum of benefits including various contributions to sports, relaxation or cultural events, free admission tickets to various sports facilities, tickets to cultural events, etc. The “performance award” category mentioned by the respondents included various financial rewards for work done, completed projects, plan fulfilment, etc. as well as contributions for “zero sickness leave” or various performance bonuses. Some respondents also mentioned jubilee benefits: such as financial vouchers or gift packs (Table 1).

Table – 1MSMEs Ranking for Sector Wise in India

Ranking	Micro-enterprises	Small enterprises	Medium-sized enterprises
1.	Catering	Catering	Catering
2.	Discounts	Pension schemes	Pension schemes
3.	Unspecified bonuses	Unspecified bonuses	Vacation
4.	Telephone use	Sports and culture	Unspecified bonuses
5.	Sports and culture	Telephone use	Education
6.	Pension schemes	Christmas contributions	Sports and culture
7.	Christmas contributions	Vacation	Bonus at anniversary
8.	Clothing	Automobile use	Insurance
9.	Vacation	Performance rewards	Performance rewards
10.	Performance rewards	Education	Telephone use
11.	Automobile use	Discounts	Discounts
12.	Insurance	Enterprise products	Automobile use

Source: Management of Human Resource in Small and Medium-Sized Enterprises Survey Report April 2017-18, p.24.

Ownership of Enterprises Social Category Wise the socially backward groups owned almost 66.27% of MSMEs. Bulk of that was owned by OBCs (49.72%). The representation of SC and ST owners in MSME sector was low at 12.45% and 4.10% respectively. In rural areas, almost 73.67% of MSMEs were owned by socially backward groups, of which 51.59% belonged to the OBCs. In urban areas, almost 58.68% belonged to the socially backward groups, of which 47.80% belonged to the OBCs.

Table – 2: Distribution of enterprises for Scheduled Castes and Scheduled Tribes ownerships in rural and urban areas in India

SI. No	Sector	SCs	STs
1.	Rural	15.37	6.70
2.	Urban	9.45	1.43
Total		12.45	4.10

Source: MSME Annual Report 2020-21, p.25.

The table 3.2 shows that Distribution of enterprises for Scheduled Castes and Scheduled Tribes ownerships in rural in Scheduled castes are 15.37%, Scheduled Tribes were in 6.70% and urban areas as 9.45% of SCs and 1.43% of STs throughout in India as 12.45% of SCs and 4.10% of ST as study report of 2020-21 as respectively.

Role of digital empowerment for MSMEs: A big step to strengthen their resilience

It’s no exaggeration to state that the empowerment of MSMEs is in our national interest. They exist in millions, employ most of the country’s working population, and earn the highest foreign exchange. Who are they? They are first, or second-generation entrepreneurs, employing five-to-five hundred qualified/skilled/unskilled Indians. They grow organically; they are more self-funded and less bank-funded. They compete on global standards, and going digital is the way forward for them to survive, grow, and excel. Digital empowerment of MSMEs can be a game-changer in making them globally competitive and resilient to uncertainties of the business. Digital empowerment of MSMEs is a massive exercise about understanding their challenges, visualizing solutions, building ecosystems, creating awareness, and incentivizing entrepreneurs. India has already started doing it. We can understand it better by understanding their challenges and the impact of digital empowerment to overcome them. The biggest challenge for MSMEs is the availability of funds. Most MSMEs rely on their own funds and collateral-based bank borrowing. Cumbersome paperwork and long decision cycles from application to disbursal make the availability of funds difficult.

CONCLUSION

The empowerment of Scheduled Castes (SCs) and Scheduled Tribes (STs) were process needs to touch every individual as well as group to the extent that everybody is ensured education and a job. Those who are not covered should be taken care by providing opportunities in the enhancing avenues of business, small scale contracts etc. All round development should be made through (i) Social Empowerment (ii) Economic Empowerment and (iii) Social Justice with an inter-sectoral focus and inputs from both Govt. and non-governmental agencies. The planning for the development of SCs should focus on all parameters of growth and development – education, health, agriculture, industry and service. Systems should be put in place for participation of SC communities in planning and implementation with measures of accountability and transparency. Micro, Small and Medium Enterprises (MSME) sector plays a prominent role in the rural development by providing employment and income generation activities to economically and socially marginalised sections. Faster growth rate may not reach the root level of society, most of socially and economically marginalised sections have been not benefiting from bumper growth rates. Most of large scale industries excluded economically and socially marginalised sections of the society, especially poor, SC, ST and women. Among the microenterprises act as a best empowerment tool for the socially marginalised sections like, schedule caste and schedule tribes. The MSME sector having two special characteristics, first one is low capital requirement and second one is traditional way of doing business. These two special characteristic of MSME sector provides more entrepreneurial skill and employment to poor, SC, ST and women in rural area. Microenterprises have been giving solution for the problem of disguised unemployment in rural segments by providing income and employment generation. The micro enterprises human resource management of units on social inclusion in MSME sector of Andhra Pradesh.

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