



SOCIAL GROUP PARTICIPATION ON MSME SECTOR IN ODISHA: AN EMPIRICAL ANALYSIS

Dr. Ipsita Priyadarsini Pattanaik¹, Dr. Sunil K.Dolai²

¹Faculty, Dept. of Economics, Sashi Bhusan Rath Government *Women's College*, Berhampur, Odisha, India.

²Faculty, Dept. of Economics, Sashi Bhusan Rath Government *Women's College*, Berhampur, Odisha, India.

Abstract: The objective of the study is to analyse the social group participation on MSME sector in Odisha. The sector of micro, small, and medium-sized enterprises (MSMEs) is crucial to the Indian economy since it creates gainful employment and contributes significantly to the GDP. The allocation of employment among the many socioeconomic groups, including the scheduled caste (SCs), scheduled tribe (STs), other backward classes (OBCs), and others who fall under the general caste label, is a significant issue because India is a heterogeneous country. Analyzing the job distribution across different social groups allows us to examine the workforce's economic participation in one of the nation's industrial sectors. It is beneficial for researching India's social growth as well.

Key words: Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Classes (OBC), Employment, Micro, Small, Medium, Enterprise, MSME

1. Introduction: According to the Fourth Census of MSME in 2006-07 in India, the number of MSMEs was estimated at 36.17 (only 1.56 million registered-source MSME annual report 2012-13, Government of India) million employing about 80.52 million persons. By the year 2011-12 the estimated numbers of MSME units were 44.77 million with employment of 101.26 million persons. Out of these MSMEs, 31.79 percent are engaged in manufacturing and 68.21 per cent in service enterprises. This sector contributes to about 44 per cent of the total manufacturing output and accounts for over 40 per cent of the total exports of the country and forms the second largest source of employment next only to agriculture. In the process the sector manufactures



more than 6000 products. MSME sector is better employment generating sector. The organized industrial sector requires an investment of 0.67 million rupees to generate employment of one person, whereas the MSME sector generates employment of 1.27 persons with the same investment. On this back ground, we have analysed the position of Odisha state to find out the areas of strength, weakness and opportunities to make them more effective and follow the path of accelerated growth in MSME sector. The importance in utilization of local resources to generate employment and improve living standards of people, who are not employed in large industries, agriculture and services sector, Government of India and likewise State governments including State Government of Odisha have also started giving stress for the development MSMEs. The number of small scale industries and what is called MSME has been increasing overtime in the state of Odisha. During 2011-12 the maximum number of MSME was set up in Sundargarh district, followed by Khordha, Cuttack and Ganjam districts. In Odisha also MSME sectors have been contributing towards the GSDP and employment generation.

2.REVIEW OF LITERATURE

ChakarbarttyKuntal (2016) in his research study made critical examination of the contribution of micro, small and medium enterprises (MSMEs) with reference to entrepreneurship development and employment generation in eight states of North East India. In view of introduction of new North East Industrial and Investment Promotion Policy in 2007 with the aim of consolidating and development of MSME sector in North East, the period considered for the research study was 2006-07 to 2012-13. The key observations of the research study was that micro, small and medium enterprises sector contributed immensely in development of entrepreneurship among the youth populace of North East States in India.

Gopalakrishna Gaonkar M(2018) opined that micro, small and medium enterprises (MSMEs) sector has surfaced as a highly vivacious and dynamic sector of the Indian economy and is broadly acclaimed as engine of economic growth, especially with reference to the Make in India initiative of the Government of India. He also mentioned in his research study that MSMEs play a vital role in economic and social development, thereby providing an impetus to

entrepreneurship, as they possess intrinsic features of being innovative and responsive to changing market dynamics.

Banerjee Chandrajit (2020) stated that micro, small and medium enterprises (MSMEs) have always played a pivotal role in the socio-economic development of India. Spread across both urban and rural areas, MSMEs produce a diverse spectrum of products and services and offer large scale employment at low capital cost. They not only support in industrialisation of rural and backward areas, but also assist in bringing down regional imbalances and assuring equitable distribution of national income and wealth.

3. OBJECTIVES

1. To find out Employment of workers belonging to different social groups in Odisha.
2. To examine Social Group-wise Percentage Distribution of Ownership of MSME Units in Rural and Urban Areas of Odisha.
3. To analyse District- wise Distribution of MSMEs by Ownership across Social Group in Odisha.
4. To explore District- wise distribution of MSMEs Total Employment by Social Group wise in Odisha

4.METHODOLOGY: The study involves a critical analysis of functioning of some micro, small and medium scale enterprises in the state both in manufacturing sector and intends to identify the potentialities for growth, opportunities, major issues and challenges experienced by these enterprises. The data are collected mostly from secondary sources by way of access to various Government policies/ programs including published Annual Reports, Journals, Books and available official websites.

5.SOCIAL GROUP PARTICIPATION ON MSME SECTOR IN ODISHA:

The present Study basically focuses on the characteristic of SC and ST, OBC Population and their contribution both rural and urban. The socially of backward Enterprises groups Social owned Category is given below **Table-1**

Table-1: Social Group-wise Percentage Distribution of Ownership of MSME Units in Rural and Urban Areas of Odisha

Area	Distribution of MSMEs by Social Group					Percentage Distribution of MSMEs by Social Group				
	SC	ST	OBC	Others	Total	SC	ST	OBC	Others	Total
Rural	668	394	4128	6545	11735	5.69	3.36	35.18	55.77	100.00
Urban	298	55	1242	6022	7617	3.91	0.72	16.31	79.06	100.00
Combined	966	449	5370	12567	19352	4.99	2.32	27.75	64.94	100.00

Source: Compiled from Unit Record Data of Fourth All India Census of Micro, Small and Medium Enterprises-Registered Sector, 2011 Development Commissioner, Ministry of MSME, GoI, New Delhi.

The area-wise distribution of ownership of enterprises across different social groups in Odisha is shown in **Table-1**. The table reflects that the general category of social class (noted in the table as others) owned the highest numbers of enterprises followed by the OBC category, then by SC and ST communities in both rural and urban areas of the state. Out of 11735 enterprises located in rural areas, 55.77 per cent of them were owned by the general category followed by 35.18 per cent owned by OBC category of the social group, 5.69 per cent owned by the SC community and the rest 3.36 per cent owned by the ST community in the state. Similarly, out of 7617 enterprises located in urban areas, 79.06 per cent of them were owned by the general category followed by 16.31 per cent by the OBC category of the social group, 3.91 per cent owned by the SC community and the rest 0.72 per cent owned by the ST community in the state. On the whole, out of 19352 enterprises located in Odisha, 64.94 per cent of them were owned by the general category followed by 27.75 per cent owned by the OBC category of the social group, 4.99 per cent owned by the SC community and the rest 2.32 per cent owned by the ST community in the state. This clearly indicates that the ownership of enterprises by the general category has dominated over all other communities of the social groups both in rural and urban areas of the state.

On the other hand, the social group-wise distribution of ownership of enterprises in the rural and urban areas of the state presented in **Table-2** reveals the dominance of other category of entrepreneurs over the OBC, SC and ST community entrepreneurs in the Odisha. Out of 12,567 enterprises owned by the general category, 52.08 per cent of them were located in rural areas and rest 47.92 per cent were located in urban areas of the state. Out of 5370 enterprises owned by OBC category, 76.87 per cent of them were located in rural areas and the rest 23.13 per cent were located in the urban areas of the state. Out of 449 enterprises owned by ST community, 87.75 per cent of them were located in rural areas and the rest 12.25 per cent were located in urban areas of the state. Finally, out of 966 enterprises owned by SC community, 69.15 per cent of them were located in rural areas and the rest 30.85 per cent were located in urban areas. The above analysis clearly reveals the dominance of ownership of enterprises by all categories of social group in rural areas as compared to their counterparts in the urban areas of the state.

Table-2: Area-wise Percentage Distribution of Ownership of MSMEs across Social Groups of Odisha

Social Group	Distribution of MSMEs in Rural and Urban Areas			Percentage Distribution of MSMEs in Rural and Urban Areas		
	Rural	Urban	Combined	Rural	Urban	Combined
SC	668	298	966	69.15	30.85	100.00
ST	394	55	449	87.75	12.25	100.00
OBC	4128	1242	5370	76.87	23.13	100.00
Others	6545	6022	12567	52.08	47.92	100.00
Total	11735	7617	19352	60.64	39.36	100.00

Source: Compiled from Unit Record Data of Fourth All India Census of Micro, Small and Medium Enterprises-Registered Sector, 2011 Development Commissioner, Ministry of MSME, GoI, New Delhi.

We find that one, proportions owned by SCs, STs and OBCs are substantially higher in rural areas compared to urban. Two, the decline in SC-owned units is higher in rural than urban areas, whereas ST-owned units show a greater decline in urban than in rural areas. Three, the overall (small) rise in OBC-owned units is mainly due to a rise in rural areas, and the rise in Others' proportion is evenly spread across rural and urban areas.

The district-wise distribution of ownership of enterprises by social groups is provided in **Table- 3**. The general category of the social group labelled as 'others' has dominated in the ownership of enterprises over the other categories in the entire spectrum of the MSME sector followed by the OBC category in all districts of the states. The SC and ST communities owned very less percentage of enterprises in all the districts of the state.

Among the industrially developed districts, Balasore has the highest number of SC owned enterprises followed by Cuttack and Puri whereas Kendujhar has the lowest number of SC owned enterprises. Among the ten developed districts, Sundargarh has the highest number of ST owned enterprises followed by Kendujhar and Sambalpur and Kendrapara has the lowest number of ST owned enterprises. On the other hand, among the developed districts, Cuttack has the highest number of OBC owned enterprises followed by Ganjam as well as Balasore but Jharsuguda has the lowest numbers of OBC owned enterprises. Whereas Khordha has the highest number enterprises owned by the general category followed by Cuttack and Ganjam but Jharsuguda has the lowest number enterprises owned by the general category.

Further, out of 966 SC owned enterprises, about 61.39 per cent of them were established in the industrially developed districts, 28.36 per cent of them were established in industrially developing districts and rest 10.25 per cent were established in less developed districts of Odisha. On the other hand, out of 449 ST owned enterprises, about 83.29 per cent of them were established in the industrially developed districts, 13.14 per cent of them were established in the industrially developing districts and the rest 3.56 per cent were established in the industrially less developed districts of Odisha.

Table- 3: District- wise Distribution of MSMEs by Ownership across Social Group in Odisha

Sl.No	District	SC	ST	OBC	Others	Total
1	Anugul	28	5	302	218	553
2	Balangir	20	2	152	191	365
3	Balasore	121	12	326	891	1350
4	Baragarh	18	7	229	330	584
5	Bhadrak	46	2	161	499	708
6	Boudh	9	3	129	36	177
7	Cuttack	73	6	513	1311	1903
8	Debagarh	0	3	45	28	76
9	Dhenkanal	27	1	201	292	521
10	Gajapati	8	11	29	376	424
11	Ganjam	36	4	462	1128	1630
12	Jagasinghpur	27	0	189	312	528
13	Jajpur	53	2	310	519	884
14	Jashrsuguda	16	7	64	170	257
15	Kalahandi	27	14	136	280	457
16	Kandhamal	34	24	68	154	280
17	Kendrapara	11	0	110	390	511
18	Kendujhar	38	64	272	340	714
19	Khordha	59	4	235	1571	1869
20	Koraput	49	18	35	497	599
21	Malkangiri	21	10	1	70	102

22	Mayurbhanj	51	78	435	511	1075
23	Nabrangpur	39	21	31	184	275
24	Nayagarh	7	3	143	79	232
25	Nuapada	9	3	55	109	176
26	Puri	64	0	170	526	760
27	Rayagada	35	9	237	234	515
28	Sambalpur	13	14	108	356	491
29	Sonepur	8	4	64	44	120
30	Sundhargarh	19	118	159	920	1216
	Total	966	449	5371	12566	19352

Source: (i) MSME Annual Report (Various Issues) GOO & GOI

(ii) Directorate of Industries Report, Govt.of Odisha.

Whereas, out of 5371 OBC owned enterprises, about 61.83 per cent of them enterprises were established in the industrially developed districts, 28.86 per cent of them were established in the industrially developing districts and the rest 9.31 per cent were established in less developed districts of the state. Finally, out of 12566 enterprises owned the general category, 65.57 per cent of them were established in the industrially developed districts, 26.78 per cent of them were established in industrially developing districts and the rest 10.64 per cent were established in the industrially less developed districts of Odisha.

The district-wise distribution of employment among male and female persons and across different social groups in the MSME sector during 2016-17 is presented in **Table- 4**.

Table-4. District- wise distribution of MSMEs Total Employment by Social Group wise in Odisha

Sl.No	District	Male	Female	Total Employment	SC	ST	OBC	Other	Total Employment
1	Anugul	2601	292	2893	350	230	1605	708	2893
2	Balangir	1942	448	2390	564	306	863	657	2390
3	Balasore	6550	1237	7787	1267	1213	2356	2951	7787
4	Bargarh	3689	1150	4839	1470	618	1823	928	4839
5	Bhadrak	2439	321	2760	299	161	835	1465	2760
6	Boudh	719	152	871	43	28	696	104	871
7	Cuttack	12955	2524	15479	2342	727	4297	8113	15479
8	Debagarh	317	71	388	8	56	226	98	388
9	Dhenkanal	2334	711	3045	414	266	1182	1183	3045
10	Gajapati	1555	2355	3910	517	506	442	2445	3910
11	Ganjam	6381	2299	8680	874	90	3236	4480	8680
12	Jagatsinghpur	1900	601	2501	251	27	976	1247	2501
13	Jajpur	4960	486	5446	741	173	2125	2407	5446
14	Jashrsuguda	1766	5468	7234	3860	1950	287	1137	7234
15	Kalahandi	3150	874	4024	610	740	1539	1135	4024
16	Kandhamal	712	108	820	151	171	224	274	820
17	Kendrapara	1427	415	1842	194	50	524	1074	1842
18	Kendujhar	4264	468	4732	618	1464	1333	1317	4732
19	Khordha	17224	4791	22015	2241	1931	6822	11021	22015
20	Koraput	2226	1779	4005	448	1709	115	1733	4005

21	Malkangiri	420	71	491	153	62	28	248	491
22	Mayurbhanj	4580	883	5463	444	2264	1649	1106	5463
23	Nabarangpur	956	604	1560	151	704	100	605	1560
24	Nayagarh	929	241	1170	59	12	716	383	1170
25	Nuapada	1117	275	1392	168	168	506	550	1392
26	Puri	2256	2175	4431	950	77	1050	2354	4431
27	Rayagada	2642	691	3333	386	1110	923	914	3333
28	Sambalpur	15720	13378	29098	8053	12218	5298	3529	29098
29	Sonepur	4072	335	4407	335	155	1658	2259	4407
30	Sundargarh	11977	1717	13694	1069	5790	1177	5658	13694
	Total	123780	46920	170700	29030	34976	44611	62083	170700

Source: (i) MSME Annual Report (Various Issues) GOO & GOI

Further, out of 29030 SCs employed in the state, about 78.77 per cent of them were employed in the developed districts, 16.14 per cent of them employed in the developing districts and the rest 5.08 per cent employed in the less developed districts of the state. Out of 34976 STs employed in the state, about 86.88 per cent of them were employed in the developed districts, 11.06 per cent employed in the developing districts and the rest 2.05 per cent employed in the less developed districts of the state. Out of 44611 OBCs employed in the state, about 69.20 per cent of them were employed in the developed districts, 23.75 per cent of them employed in the developing districts and the rest 7.05 per cent of them employed in the less developed districts of the state. Whereas, out of 170700 employed in the general category in the MSME sector of the state, about 62.57 per cent of them were employed in the developed districts, 26.78 per cent of them employed in the developing districts and the rest 10.64 per cent of them employed in the less developed districts of the state.

6. FINDING AND CONCLUSION:

Industrial development is one of the major components of economic development of Odisha for which strategic initiatives are being taken by the State Government to maximize the value addition, opportunities for employment generation and revenue augmentation. The State has been making all possible efforts to create a pro-industry environment. State's Industrial Policy Resolution 2001, 2007 and now Industrial Policy Resolution 2015 and MSME Policy-2015 intend to transform Odisha into a services led and industry led economy. The manufacturing sub-sector share is about 16 percent of GSDP although this is inflicted with varying degrees of annual growth rates due to economic slowdown, disruption in mining activities etc. MSME drives the state economy with reverberant growth through its sizable contribution to employment generation, equitable distribution of the State income and proper mobilization of private sector resources of capital and skill. Downstream industries have been categorized as "Thrust Sector". Cluster units development approach is being adopted to promote competitiveness of potential sectors.

References

1. Mishra, B. (2010), "Industrialisation in Odisha: Policy and Prospects", Economic and Political Weekly, EPW May 15, Vol.XIV, No.20, pp. 49-50.
 2. ChakarabartyKuntal (2016). "Contribution of MSMEs with Reference to Entrepreneurship Development and Employment Generation in North-East India: A Critical Evaluation", Social Science Spectrum, Vol. 2, No. 3, Accessed from www.socialspectrum.in
 3. GopalakrishnaGaonkar M (2018). "Role of MSMEs in Promoting Entrepreneurship in India", PuneResearchWorld, Vol.2, Issue1, Accessed from <http://puneresearch.com/media/data/issues/5ac99ed373899.pdf>
 4. SayedaSamin (2020). "Tracing the trajectory of the evolving MSME sector: Here's what they need from a reliable financial partner", Economic Times, Accessed from <https://economictimes.indiatimes.com/small-biz/sme-sector/tracing-the-trajectory-of-the->
-



evolving-msme-sector-heres-what-they-need-from-a-reliable-financial
partner/articleshow/73044715.cms?from=mdr

5. Banerjee Chandarjit (2020). “Redefining MSMEs will give the sector a boost”, Business Line, Accessed from <https://www.thehindubusinessline.com/opinion/redefining-msmes-will-give-the-sector-a-boost/article30505802.ece>

6. “Registration of Micro, Small and Medium Enterprises (MSMEs) in India (Udyog Aadhaar Memorandum)”, Office of Development Commissioner M/o Micro, Small and Medium Enterprises Government of India, Accessed from http://www.dcmsme.gov.in/uam_publication_2015-2018.pdf

7. Annual Report 2022-23, Govt. of India, Ministry of Micro, Small and Medium Enterprises, available at: www.msme.gov.in