



Employment In The MSME Sector – A Focussed Study on the State of Assam

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Abstract

The Micro, Small and Medium Scale Enterprises Sector in India has historically been neglected when it comes to the formulation of targeted development policies. Initially, India was focused wholly on the growth in the agricultural sector. Post liberalisation, this focus shifted to the growth in the tertiary or services sector. In fact, economists across the world believe that one of the main causes behind India's lag in development is the lack of infrastructure to facilitate growth of industries. When we first talk about employment, we cannot forget the fact that India is the most populated country in the world, seconded only by China. Moreover, most of India's population is working class – between 16 and 60 years of age. The MSME sector happens to be one of the biggest sectors of India's fine employment. Only recently have focused policies been adopted to help this sector. However, the Northeastern region is still lying far behind its other counterparts when it comes to the MSME sector. The Government of India needs to adopt targeted policies and tap into the indigenous population of this region to not only help the Northeast but the entire country.

Keywords: MSME Sector, Employment, Northeast, Assam, Policies, Development, Growth



Figure 1: A Map of Assam

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1. Introduction

The Indian small-scale industries play an imperative role in the economic expansion of the country and have a vast approach for employment generation. Increasing small-scale sector also results in decentralized industrial development, better distribution of wealth and investment and entrepreneur talent. The government has initiated several policies for the growth and development of small-scale industries. Post liberalization the economic conditions of the country have created immense growth prospects for the small-scale industries. The Ministry of Agro and Land Rural Industries and the Ministry of Small-scale Industries have been merged into a single Ministry, i.e., Ministry of Micro, Small and Medium enterprises. For the past fifty years, the small-scale sector has played an essential role in the socio-economic development of the country. It has significantly contributed to the overall growth regarding the gross domestic product, employment generation, and exports.

The Micro, Small and Medium Scale Enterprises (MSME) in India are mainly classified into three slabs based on investment and turnover. These slabs are as follows:

1. Micro enterprises are those with investments less than Rs 1 crore and annual turnover less than Rs 5 crore.
2. Small enterprises are those with investments less than Rs 10 crore and annual turnover less than Rs 50 crore.
3. Medium enterprises are those with investments less than Rs 50 crore and annual turnover less than Rs 250 crore.

The MSME sector forms the very backbone of the Indian economy. This is mainly because it is this sector which allows people from the rural regions of the country establish their own enterprises and business ventures by providing them adequate employment. Moreover, post liberalisation, our country has seen economic growth that is led by the services sector.

However, more often than not the services sector excludes the rural population of the country who do not have enough educational backing to get a mainstream job in India. This is where the MSME sector comes in which employs people for their skills and not just educational qualifications. The Government of India that undertaken several policies like the Skill India schemes to equip the people in rural areas in developing the adequate knowledge to find employment in the ever-growing MSME sector. The 'Make in India' campaign has also facilitated the overall growth of the sector by several manifolds.

The **three** main objectives of this paper are:

1. To find out which zone in India contributes the least to employment in the country's MSME Sector
2. To find out the growth in the total number of units, investment, production and employment in the MSME Sector in Assam
3. To find out the variation in the growth rates of the total number of units, investment, production and employment in the MSME Sector in Assam

In the following pages, our paper is divided into a total of 6 sections. **Section 2** is literature review which consists of certain literal discourses on the MSME sector in Assam and in India. **Section 3** is information about the various sources of data that have been exploited to obtain extensive statistics on the country's MSME sector. This section also consists of the methods and formulae used for our calculations. **Section**

4 is the results and analysis section which consists of the results obtained from our calculations and a brief analysis in order to fulfil our objectives for this paper. **Section 5** is the part on policy implications where we briefly discuss the policies that were adopted both at the national and the state level that could have led to our results. **Section 6** is the conclusion section where we recorded our learnings and inferences from this study and how it can be developed further.

2. Literature Review

Bijoy Kumar Dey and **Kanchan Dutta** in their paper titled *Micro, Small and Medium Scale Enterprises in Assam: Some Aspects of Size, Growth and Structure* talk extensively about the growth in the MSME sector in Assam. The authors used secondary data to study the growth in the sector in terms of employment, investment and number of units. They also attempted to find the variation in the growth rate and then depicted it graphically. The authors also calculated the Compound Annual Growth Rates in the MSME sector spread across several districts of the state. This was mainly done to understand the distribution of units across Upper, Middle and Lower Assam [1].

Dr. Chinglen Maisnam in his paper titled *MSME Sector in Northeast India* has explained the regional disparity that lies across India when it comes to the development of the MSME sector. He has especially written extensively on the issue with a special focus on the Northeast region which is often the most neglected. The paper initially focuses on India as a whole and then lists out all the policies that have been implemented especially for the seven states in the Northeast. Moreover, it also talks about the implications of these policies and how there is a dire need of more targeted schemes to facilitate the sector in this region [2].

Bina Sarkar in her paper titled *Government Policies and Assistance for MSMEs in Northeast (Assam)* writes extensively about every policy that has been adopted and implemented in the state throughout history when it comes to the MSME Sector. The author concludes their paper by recording that regardless of the innumerable schemes employed for the growth of the sector, the Northeast's development in MSMEs is still not streamlined with that of the rest of mainland India [3].

Dr. Uma Pujar writes in her paper titled *MSMEs and Employment in India: An Analytical Study* about the overall contribution of this sector in the country total employment statistics. This paper mainly focuses on rural and urban division of employment within sector. Moreover, it also considers the break-up of the sector into Micro, Small and Medium Enterprises and how much each slab contributes to employment in India. The author also analyses employment distribution by the type of activity, i.e., manufacturing, repair and maintenances and services. According to the findings of this paper, the Micro Enterprises sector contributes 94.94 percent employment and is hence the dominant slab. Moreover, there is urban employment against rural employment. Also, manufacturing activity enterprises dominate the sector both in terms of the number of units and total employment [4].

3 Data and Research Methodology

3.1 Data Collection

The data that has been used for the purpose of research in this paper are secondary in nature. They have all been collected from official government sources which are mentioned in the References section. Certain limitations of using Secondary Data include: the researcher's inability to verify the data and the

gaps in the collection. These problems arose in our paper too and have been mentioned in detail where the concerned data has been used in the later sections.

Main sources for the collection of data in this paper was the Reserve Bank of India's annual Handbook of Statistics on States along with the Economic Survey of Assam for the year 2017-18. The Reserve Bank of India provides extensive data on the calculation of GDP and National Income in India. This data is divided into two different publications – one of them focuses on the entire country while the other is about the 28 even Indian states. Furthermore, the country releases an annual Economic Survey to assess the developments in the many sectors that the annual budget was allocated to. Similarly, every state releases its own economic survey to show the state-wise growth in infrastructure. MSME Sector data is available widely in these sources. The Government of India has a separate portal to store exclusive data related to this sector however, it is inaccessible without permission and hence, couldn't be utilised for this paper.

3.2 Research Methodology

A few important formulae that have been used for calculation are:

1. **Annual Growth Rate (AGR):** $(\text{Ending Value} - \text{Beginning Value}) / \text{Beginning Value}$

2. **Standard Deviation (σ):** $\sqrt{(\sum x_i - \bar{x})^2 / n-1}$, where i runs from 1 to n.

What we actually do here is we take the summation of all the differences between every observation and the mean of the sample and then square it. Then we divide the value by (n-1) where n is the total number of observations. Then we take the square of the final value to get the standard deviation.

3. **Coefficient of Variation:** σ / \bar{x} . Here, we divide the standard deviation of our data by the mean.

Microsoft Excel has been used for the generation of all tables and their representative graphs. We have used Descriptive Statistical Analysis for the core findings of this paper.

4. Results and Analysis

4.1 The Least Contributing Zone In India's MSME Sector

First and foremost, for the purpose of research in this paper, India has been divided into five zones. These zones, along with the states that comprise them, are as follows:

- a. **NORTH:** i. Jammu and Kashmir, ii. Uttarakhand, iii. Himachal Pradesh, iv. Haryana, v. Rajasthan, and vi. Punjab
- b. **CENTRAL:** i. Uttar Pradesh, ii. Madhya Pradesh, iii. Gujarat, iv. Maharashtra, and v. Goa
- c. **SOUTH:** i. Karnataka, ii. Kerala, iii. Tamil Nadu, and iv. Andhra Pradesh
- d. **EAST:** i. Bihar, ii. West Bengal, iii. Chhattisgarh, iv. Jharkhand, and v. Odisha
- e. **NORTHEAST:** i. Sikkim, ii. Assam, iii. Meghalaya, iv. Arunachal Pradesh, v. Tripura, vi. Mizoram, vii. Manipur, and viii. Nagaland

For the sake of simplicity in conducting research, it has been ensured that, each zone covers the same measurement of area. The 'West' zone has been deliberately avoided to maintain a balance between the areas covered in each zone. Moreover, Union Territories have not been considered in this research paper because of their difference in size and representative government structure.

It also must be noted that since the data that is being used for research is available only till the year 2017-18, Telangana has not been taken into consideration as a separate state. On the other hand, Jammu and Kashmir retained its status as a state during this period and is hence included in the 'North' zone. Census data for the states of Chhattisgarh and Jharkhand is unavailable up until 1987-88, i.e., the Second Round of MSME Census. Hence, the space for data has been left empty.

When it comes to the MSME Sector in India, there are four major parameters that are considered. They are:

- a. Total Employment
- b. Total Number of Units
- c. Total Production
- d. Total Output in the sector

This paper will mainly focus on employment and try to establish a relationship between employment and all the three other parameters. The first step in the analysis was to find out which zone employs the least number of people in the MSME sector. While the detailed table can be found in the Appendix of the paper, the consolidated table is given below.

Table 1 : State-wise medium & small-scale industries - total employment

(Lakh)

ZONE	First Census (1972-73)	Second Census (1987-88)	Third Census (2001-02)	Fourth Census (2006-07)
North-East	0.26	0.69	7.74	24.78
East	2.56	5.63	49.84	169.71
North	2.35	5.02	28.06	93.81
Central	5.82	11.61	86.95	245.67
South	4.86	12.25	69.12	248.01

Source: Calculated by the author from data attached in the appendix (Reserve Bank of India 2019)

The data in the above table has further been depicted in the graph next page.

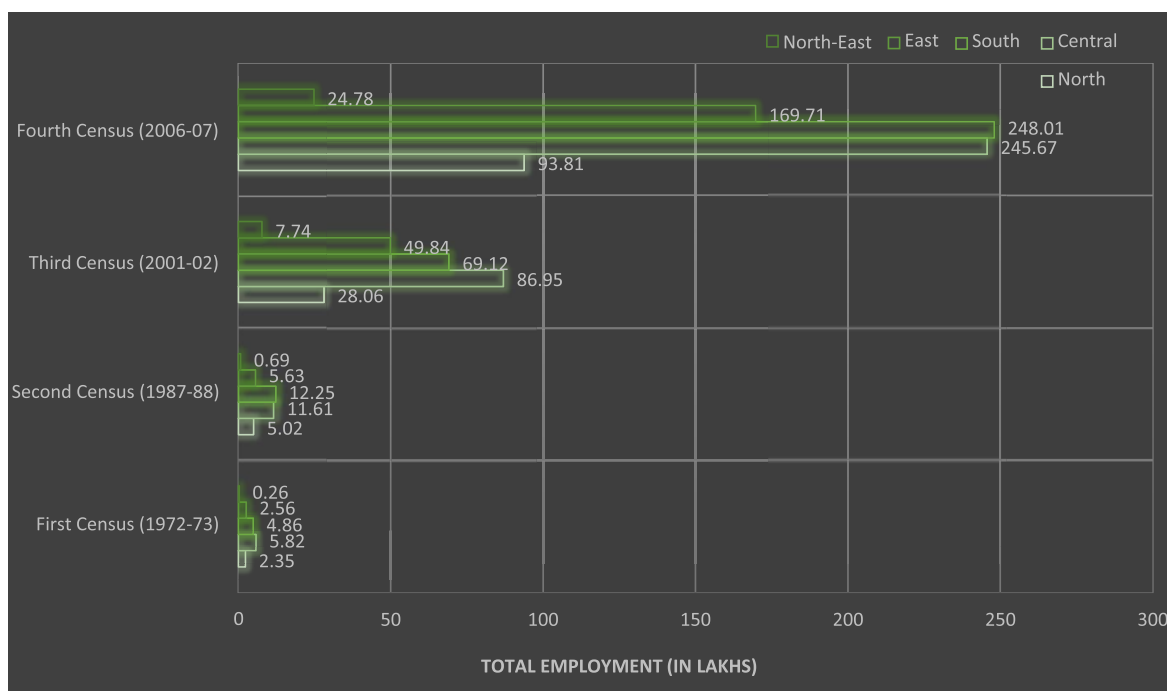


Figure 1 : State-wise medium & small - scale industries - total

From Table 1 and its representative diagram in Figure 1, we can see that the Northeast zone has consistently employed the least number of people in the MSME sector in every round of census.

Moreover, the data (attached in the Appendix of this paper) tells us that it is the state of Assam that employs the highest number of people within this zone. This discovery thereby fulfils our first objective. Henceforth, the remainder of our analysis will mainly focus on Assam’s MSME sector, and the policies undertaken here.

4.2 The Growth in Total Employment, No. of Units, Investment and Production in Assam’s MSME Sector

The second objective of this paper is to investigate the figures of the various parameters that make up the MSME sector and understand how they have changed over the four rounds of Census. This part is essentially divided into two based on the data that was collected. At first, we deal with the Census data that is available till 2006-07. Then we deal with the Assam State Economic Survey data that is available annually up to 2017-18.

4.2.1 Findings Based on Census Data

According to the Report by the Expert Committee on Micro, Small and Medium Enterprises that was published by the Reserve Bank of India on June 25, 2019 [5], reliable sources for extracting MSME data continued to be very scarce for the longest time. There are primarily two data bases which provide data for MSME sector – All India Economic Census, the latest being the Sixth Economic Census, 2013 and All India MSME Census, the fourth and the last such census was carried out in 2006-07. The Economic Census provides the frame and thus works as principal mechanism for conducting the MSME Census.

The Economic Census provides data on establishment basis and includes various establishments some of whom are not MSMEs as defined by the Ministry of MSME. This sectorial coverage issue has been a major concern for not using Economic Census data to study the growth and development of the MSME sector. After the fourth MSME Census in 2006-07, there has been no census. Hence, our first findings are based on the data from four rounds of MSME Census.

The main idea behind the calculations shows below was to understand which parameter that affects the MSME sector changed the most. The detailed table that shows the calculations undertaken to reach the values in the table below is attached in the Appendix section of this paper.

Table 2 : Growth rates (%) over the second, third and fourth rounds of census

Category	Growth Rate in Second Census Round (%)	Growth Rate in Third Census Round (%)	Growth Rate in Fourth Census Round (%)
Total Employment (Lakh)	70%	1162%	232%
Total Number Of Units (Lakh)	100%	4750%	241%
Total Investments (Crore)	745%	1064%	537%
Total Production (Crore)	1235%	997%	304%

Source: Calculated by the author from data attached in the appendix (Reserve Bank of India 2019)

For a better understanding, the values in the above table have been plotted in the bar graph below.

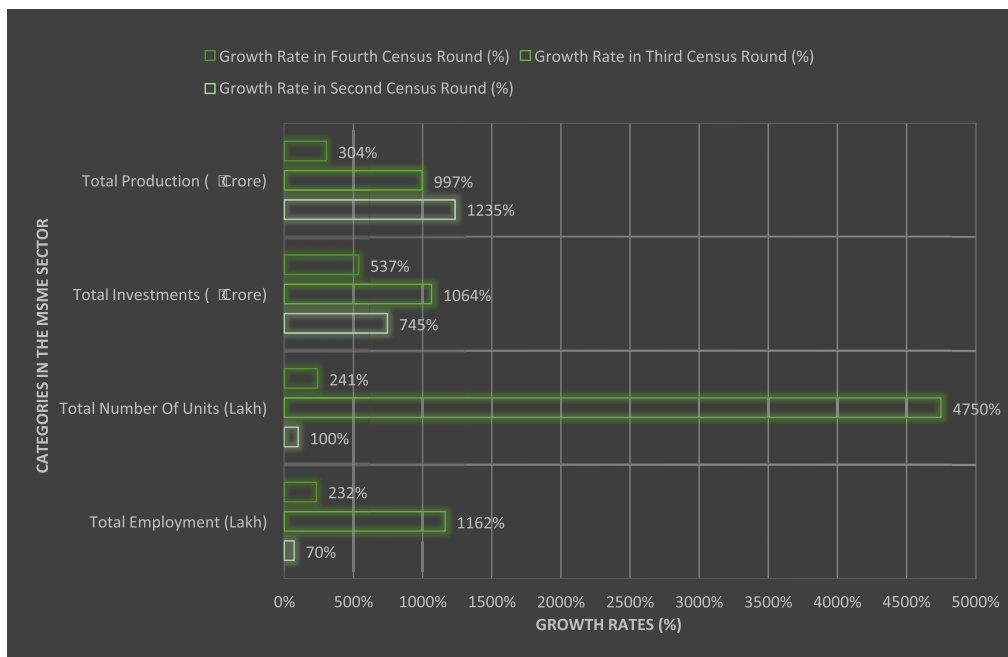


Figure 2 : Growth rates (%) over the second, third and fourth rounds of census

By means of the above table and graph, one can clearly see that between the first and second rounds of Census, Total Production (in Rs. Crore) grew the most – by 1235%. In the meanwhile, Total Employment (in Lakhs) grew the least – by only 70%. However, this growth rate has not remained constant over the years.

We can say this because, contrary to the growth from the first round to the second round, between the second and the third round, it was the Total Number of Units (in Lakhs) that grew the most. It was by 4750%. Interestingly, in the third round of Census, Total Production grew the least by 997%.

Now, coming to the growth between the third and fourth rounds of census, this time it was Total Investments (in Rs. Crore) that grew the most. The growth rate was 537%. On the contrary, it was again Total employment here that grew the least by only 232%.

It can be clearly understood by the means of the disparity in these values that growth in the four parameters of the MSME sector has not been consistent. Moreover, there wasn't a single round of census where Total Employment in the sector grew the most. It must also be noted that between the second and third rounds of census, India underwent massive economic transition post the adoption of the New Economic Policy in 1991. We will discuss all provisions and policies that have led to this disparity in growth rates in a separate section below.

4.2.2 Findings Based on State Economic Survey Data

The data in this sub-part of the analysis has been collected from the Economic Survey of Assam that was conducted in the year 2017-18 [6]. It was a report published by the Government of Assam's Transformation and Development Department under the Directorate of Economics and Statistics. Now, due to the differences in the two organisations that have collected and compiled this data, it is only natural that there are certain discrepancies in the data too.

The first observation here is that this data is not clustered but rather annual in nature. Hence, instead of simple growth rates, the Annual Growth rates of every parameter have been calculated for the purpose of research. Moreover, any data for Total Production in the state of Assam between 2006-07 and 2017-18 is wholly missing. Thereby, that parameter could not be taken into consideration. Here, we have only focused on Total No. of Units, Total Investments in Plants and Machinery and Total Employment in the MSME sector in Assam. The annual growth rates are given below. The detailed table that consists of the data that was used for the purpose of this calculation is attached in the Appendix of this paper.

Table 3 : Growth of MSME units, employment and investment in Assam

Year	AGR (No. of MSME Units)	AGR (Total Investment)	AGR (Total Employment)
2007-08	-0.221	1.871	-0.117
2008-09	0.011	-0.011	0.233
2009-10	-0.019	0.135	-0.011
2010-11	-0.277	-0.145	-0.296
2011-12	0.061	0.087	0.543
2012-13	0.127	-0.014	-0.161
2013-14	0.282	0.135	0.111
2014-15	0.413	-0.134	0.581
2015-16	-0.278	-0.049	-0.324
2016-17	0.147	1.371	0.398

Source: Calculated by the author from data attached in the appendix (Government of Assam 2018)

The growth rates in the three parameters have been shown in the graph below.



Figure 3 : Growth of MSME units, employment and investment in Assam

It must be noted that the AAGR for the three parameters over a period of 10 years between 2007-08 and 2016-17 has more or less remained constant. However, it cannot be missed that the AGR calculated is also in the negative, though the difference is marginal, for several years. Especially for 2010-11 and 2015-16, AGR of Total Employment is in negative axis. We shall analyse the reasons behind this negative growth in the section dedicated to policies and provisions that were undertaken by the Government concerning the MSME Sector in Assam.

4.3 The Variation in the Growth Rates of Total Production, Employment, No. of Units and Investment in Assam’s MSME Sector

Now that we have successfully fulfilled the first two objectives, the last, but not least, objective of this paper is to calculate the variation in growth rates of the different parameters of the MSME Sector. This section has also been divided into two parts on the basis of the two different sets of data. However, before we proceed further, here is a detailed explanation as to why the standard deviation and variation are calculated in the first place.

• What is Standard Deviation?

We know that in statistics, the standard deviation is a measure of the amount of variation or dispersion of a set of values. A low standard deviation indicates that the values tend to be close to the mean (also called the expected value) of the set, while a high standard deviation indicates that the values are spread out over a wider range.

• What is Coefficient of Variation?

The coefficient of variation (CV) is a statistical measure of the dispersion of data points in a data series around the mean. The coefficient of variation represents the ratio of the standard deviation to the mean, and it is a useful statistic for comparing the degree of variation from one data series to another, even if the means are drastically different from one another.

Calculating both the standard deviation and coefficient of variation helps us fully understand the variability in our data set and just how much each of the four parameters have changed over a long period in history. But understanding this dispersion, we can understand the various reasons that have led to these variations across the years. This will also help us explore the effect of various policies on Assam's MSME sector and the reasons behind their adoption in the state.

4.3.1 Findings Based on Census Data

Table 4 : Growth rates (5) over second, third and fourth rounds of MSME Census

Category	Total Employment (Lakh)	Total Number Of Units (Lakh)	Total Investments (₹Crore)	Total Production (₹Crore)
Growth Rate in Second Census Round (%)	70%	100%	745%	1235%
Growth Rate in Third Census Round (%)	1162%	4750%	1064%	997%
Growth Rate in Fourth Census Round (%)	232%	241%	537%	304%
MEAN	488%	1697%	782%	845%
STANDARD DEVIATION	5.893	26.449	2.654	4.837
COEFFICIENT OF VARIATION	1.207582	1.558574	0.339386	0.572426

Source: Calculated by the author from data attached in the appendix (Reserve Bank of India 2019)

Now, according to the above table, we can conclude that the Growth Rates for every parameter in the MSME Sector is very spread out across a very wide range. Also, we notice that most variation lies in the growth rates lie in the Total Number of Units while the least is in Total Investments in the sector. This tells us that while Investments have more or less remained constant, the number of units have fluctuated by a very wide margin.

We can see maximum difference in values for the Third Round of Census that was conducted in 2001-02. It must be noted that this was exactly 10 years after the New Economic Policy was adopted by the Central Government. We shall broadly analyse the effect of these policies in a later section to understand how they influenced the wide range of values in the growth rate calculation.

4.3.2 Findings Based on State Economic Survey Data

Table 5 : Annual growth of MSME units, employment and investment in Assam

Year	AGR (No. of MSME Units)	AGR (Total Investment)	AGR (Total Employment)
2007-08	-0.221	1.87	-0.117
2008-09	0.011	-0.011	0.233
2009-10	-0.019	0.135	-0.01
2010-11	-0.277	-0.145	-0.296
2011-12	0.06	0.087	0.543
2012-13	0.127	-0.014	-0.16
2013-14	0.282	0.135	0.111
2014-15	0.413	-0.134	0.58
2015-16	-0.278	-0.049	-0.324
2016-17	0.147	1.371	0.398
MEAN	0.0245	0.3245	0.0958
STANDARD DEVIATION	0.233039	0.699941	0.332744
COEFFICIENT OF VARIATION	9.511795918	2.156983051	3.473319415

Source: Calculated by the author from data attached in the appendix (Government of Assam 2018)

Now, coming to the annual data that was collected from the Assam State Economic Survey of 2017-18, we see that here, the average annual growth rates are dispersed over a small range of values contrary to what we saw for the Census data. But it also must be kept in mind that the Census data wasn't annual – it was data collected over a very wide range of time. Hence, direct comparison between the two sets is not feasible from a research point of view.

Since the Standard Deviation for all the three parameters lie between zero and one, we can say that growth rate has more or less remained constant over this period of 10 years. The policies adopted to achieve this consistency are discussed in the next section.

5. Implications of Various Policies on Assam's MSME Sector

Now that we have already discussed in detail about our findings from the data available, let us understand what the various policies that led to our findings. Below, we have focused mainly on the broad policies that affected this sector in Assam the most.

5.1 MSME Sector Policies Implemented in India as a Whole

Prior to the introduction of the New Economic Policy in 1991, the MSME sector was not defined very clearly. As a result, there weren't many dedicated policies for the development of this sector. Neither is proper data available to understand the characteristics of the MSME sector during the pre-liberalisation period. Hence, the policies that we discuss below are all from the post-liberalisation period.

The MSMEs Act 2006 [7] which was enacted broadly classifies enterprises regarding activities such as those engaged in manufacturing, production, and enterprises engaged in services.

The advent of planned economy from 1951 and the subsequent industrial policy followed by Government of India, both government and planners earmarked a particular position of Micro, Small and Medium Enterprises in the Indian economy. Government's objectives and intentions towards industry including small-scale industry were announced through Industrial Policy Resolutions (IPRs). The resolution was announced in 1948, 1956, 1977, 1980, 1990 and 1991 respectively.

1. **Industrial Policy Resolution, 1991:** The Government of India, for the first time, tabled the new small enterprise policy titled *Policy Measures for Promoting, Strengthening and Supplementing Small, Tiny and Village Enterprises* in the Parliament on August 6, 1991. This policy widened the investment limit for the tiny sectors, removed the vocational restrictions and recognized business and industry related services as small industrial units on par with the tiny units. The Small and Ancillary Industries were exempted from licensing for all articles of manufacture, which were not covered by the public sector. The investment of Rs. 5 million and other location conditions was withdrawn. All industry related services and business enterprises with an investment limit as those of tiny enterprises, irrespective of location, were recognized as small industrial units. A new scheme of integrated infrastructural development for small industrial units was provided with the participation of State Government and Financial Institutions.
2. **New Industrial Policy, 1999:** The main objective of the Industrial Policy, 1999 was to create a congenial environment for the small industrial units to cope with the emerging challenges of globalization. To focus fully on the promotion and development of small industrial units, a separate

Ministry of Small Industrial Units and Agro and Rural Industries was created. The policy initiatives were:

- a. The annual turnover limit for calculation of working capital limit for small industrial units was raised to Rs. 5 crores from Rs. 4 crores.
- b. The maximum ceiling limit for Composite Loan Scheme was increased to Rs. 5 lakhs.
- c. To increase the flow of credit to small industrial units, a new credit insurance scheme was launched.
- d. Small Industrial units producing goods in rural areas are allowed excise exemption on third party branded goods.
- e. The definition of Small and Ancillary industrial units was revised by reducing investment limit in plant and machinery to Rs. 1 crore from Rs. 3 crores.
- f. Special package for the development of small and village industries in Northeastern regions was announced. The industrial units in the Northeastern Region were given exemption from excise duty for ten years from the date of commencement of production
- g. Special emphasis was given to the units which have high export potential.

While these were the two broad schemes that affected the MSME Sector in India, there were several smaller schemes that were implemented with the aim of financing this sector. Due to certain constraints, we do not include details about all the schemes in our paper. However, it is till imperative to note that these schemes brought large-scale investment in the MSME Sector from several sources that led to the rapid growth of investment in the Fourth Census Round, thereby leading to the highest growth rate of this parameter.

5.2 MSME Sector Policies Implemented In Assam

Several policies that were targeted for the state of Assam are discussed briefly in this section. Most information here is taken from the Economic Survey of Assam published in 2017-18.

Small-scale industrial units occupy a vital role in industrial development in the State's economy. There are 45509 SSI/MSME units in Assam and provided employment to 2.69 lakh persons till the end of 2016-17. The small-scale industries (SSI) and Micro, Small and Medium Enterprise (MSME) sectors have a major contribution towards creating employment in the State. There are 45509 numbers of SSI/ MSME units in Assam providing employment to 268500 persons till the end of 2016-17. The Ministry of MSME, Government of India has approved for setting up of 11 numbers of Integrated Infrastructure Development Centre (IIDC) at different locations in 11 Districts of Assam. Government of India has released Rs 2411.66 lakh and the Government of Assam has released Rs 665.88 crore for the project. All the projects have been completed and at present 62 units are functioning in different IID centres [6]. The three main schemes initiated specifically in Assam are:

1. **BIPONI:** This was an innovative marketing scheme for micro and small entrepreneurs of Assam. The basic objective was to give support to the entrepreneurs to participate in trade fairs or events organised within the state, country or abroad. Under the scheme, for the events organised within the state, the participants coming from other districts are given Rs 5000 towards stall rent and Rs 500 per

day to meet the expenditure on travelling, food and lodging. For participating outside the state, the selected participants will be given 50 percent of the stall rent (maximum ceiling being Rs 10 thousand), sleeper class to and fro railway fare for two person and each member will get Rs 300 per day towards food and lodging for the fair period. The scheme also includes free stall space for the selected participants for events outside the country. The participant will also be provided with economy class air fare and Rs 1000 per person per day for lodging and expenditure on food.

2. **BONEEJ:** This special scheme was announced by the then Finance Minister, Arun Jaitley, on July 26, 2016, on his Budget Speech to provide special grant to the rural industries of the State dealing with traditional and micro sector. The scheme covers all the districts except Karbi Anglong, Dima Hasao and Bodoland Territorial Autonomous District. Under the scheme, it was proposed to provide Rs 25 thousand as grant to the industries located in rural areas and whose annual turnover is less than Rs 5 lakh.
3. **SAROTHI:** This scheme is a part of the Chief Minister's Start-Up Fund which was launched to encourage the young talented entrepreneurs facing resource crunch to start new ventures in the State by giving them financial assistance. Under this scheme, budgetary provision for an amount of Rs 10 crore has been made in the State Budget of 2016-17. The fund was managed by the Industries and Commerce Department as per its operational guidelines. The basic objective of the scheme was to provide financial assistance in the form of loan with interest subvention through a designated Bank covering the entire state of Assam. The loan so availed by the beneficiaries is supported by the State Government through interest subvention at the rate 5 percent per annum. The physical target for the year 2016-17 was 1325 and the total number of entrepreneurs sponsored was 1149.

Apart from these designated schemes, Assam also implemented the Prime Minister Rojgar Yojana (PMRY) and the Prime Minister Employment Generation Programme (PMEGP) to ensure stability in the employment within the state.

6. Conclusion

In our concluding remarks, we can say that the MSME Sector specifically in the state of Assam has undergone several big and small changes ever since India gained independence in 1947. At present, there is a wide scope for growth that still exists in the region. Moreover, we also see that Assam contributes the most to the country's overall MSME Sector among all other North- Eastern states. Several factors that have led to this include the fact that Assam has most area under plains compared to the other states in the Northeast. Moreover, Assam is the only state that shares borders with the mainland of India via West Bengal. It still cannot be justified, Assam, and the Northeast as whole is neglected severely when it comes to the development of the MSME Sector. There is a requirement of more targeted policies to allure the youth into seeking employment in this sector. Moreover, Assam's indigenous population must be tapped and incentivized to enter this sector – be it as proprietors or employees.

In the end, we can say that if the Government makes policies that caters directly to the needs of the Assamese people, designed taking every characteristic of Assam in consideration, the possibility of growth in this sector is huge. This observation is not limited just to Assam but all of North-East as a whole.

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APPENDIX

A. Table 1 : State-wise medium & small-scale industries - total employment (**Appendix)

(Lakh)					
Zones	State	First Census (1972-73)	Second Census (1987-88)	Third Census (2001-02)	Fourth Census (2006-07)
NORTH	Jammu and Kashmir	0.1	0.41	1.52	5.75
	Uttarakhand	-	-	1.95	6.96
	Himachal Pradesh	0.06	0.26	1.3	4.68
	Haryana	0.49	1.06	5.53	18.84
	Punjab	1.24	2.06	9.08	26.79
	Rajasthan	0.46	1.23	8.68	30.79
	NORTH TOTAL	2.35	5.02	28.06	93.81
CENTRAL	Uttar Pradesh	1.6	3.49	40.02	92.36
	Madhya Pradesh	0.6	1.59	13.44	33.66
	Gujarat	1.15	2.77	12.68	47.73
	Maharashtra	2.4	3.56	20.51	70.04
	Goa	0.07	0.2	0.3	1.88
	CENTRAL TOTAL	5.82	11.61	86.95	245.67
SOUTH	Karnataka	0.64	2.44	16.39	46.72
	Kerala	1.27	1.69	11.15	49.62
	Tamil Nadu	2.15	5.36	20.18	80.98
	Andhra Pradesh	0.79	2.76	21.4	70.69
	SOUTH TOTAL	4.85	12.25	69.12	248.01
EAST	Bihar	0.61	1.82	10.83	28.26
	West Bengal	1.76	3.12	21.69	85.78
	Chhattisgarh	.	.	5.32	9.52
	Jharkhand	.	.	2.75	12.91
	Odisha	0.19	0.69	9.25	33.24
	EAST TOTAL	2.56	5.63	49.84	169.71
	Arunachal Pradesh	0	0.03	0.03	1.19

NORTH-EAST	Assam	0.2	0.34	4.29	14.25
	Manipur	0.03	0.1	1.36	2.36
	Meghalaya	0.01	0.04	0.65	1.92
	Mizoram	0	0.04	0.24	0.81
	Nagaland	0	0.03	0.57	1.71
	Sikkim	-	0.01	0.03	0.79
	Tripura	0.02	0.1	0.57	1.75
	NORTH-EAST TOTAL	0.26	0.69	7.74	24.78
	ALL INDIA	16.53	36.66	249.33	805.24
	Not Applicable. -: Not Available.				
	Notes: Figures are based on-				
	1. First All India Census of Small-scale Industrial Units 1972. (Figures of Daman & Diu were included in the erstwhile State of Goa, Daman & Diu, before it got delinked as a separate Union Territory).				
	2. Second All India Census of Small-scale Industrial Units 1987-88.				
	3. Third All India Census of Small-scale Industries 2001-02.				
	4. Fourth All India Census of Micro, Small and Medium Enterprises 2006-07.				
	Source: Office of the Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, New Delhi and Ministry of Statistics and Programme Implementation (MOSPI).				

B. Table 2 : Growth rates in Assam (5) over the second, third and fourth rounds of Census (**Appendix)

Category	First Census (1972-73)	Second Census (1987-88)	Growth Rate in Second Census Round (%)	Second Census (1987-88)	Third Census (2001-02)	Growth Rate in Third Census Round (%)	Third Census (2001-02)	Fourth Census (2006-07)	Growth Rate in Fourth Census Round (%)
Total Employment (Lakh)	0.2	0.34	70%	0.34	4.29	1162%	4.29	14.25	232%
Total Number Of Units (Lakh)	0.02	0.04	100%	0.04	1.94	4750%	1.94	6.62	241%
Total Investments (Crore)	11.09	93.69	745%	93.69	1090.37	1064%	1090.37	6941.15	537%
Total Production (Crore)	22.64	302.35	1235%	302.35	3315.67	997%	3315.67	13403.27	304%

Source: Office of the Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, New Delhi and Ministry of Statistics and Programme Implementation (MOSPI).

C. Table 3 : Growth of MSME units, employment and investment in Assam (**Appendix)

Year	No. of MSME Units	AGR (No. of MSME Units)	Investment on Plants and Machinery (in Rs Lakhs)	AGR (Total Investment)	No. of Employment	AGR (Total Employment)
2007-08	1692	-0.221	26637.42	1.87	10471	-0.117
2008-09	1711	0.011	26348.26	-0.011	12914	0.233
2009-10	1678	-0.019	29901.68	0.135	12787	-0.011
2010-11	1214	-0.277	25557.59	-0.145	9002	-0.296
2011-12	1287	0.061	27776.15	0.087	13886	0.543
2012-13	1451	0.127	27397.47	-0.014	11671	-0.161
2013-14	1860	0.282	31099.08	0.135	12971	0.111
2014-15	2629	0.413	26923.29	-0.134	20496	0.581
2015-16	1898	-0.278	25597.96	-0.049	13848	-0.324
2016-17	2177	0.147	60687.43	1.371	19355	0.398
Source: Directorate of Industries and Commerce, Assam						