RURAL DEVELOPMENT AND SUSTAINABILITY OF MICRO, SMALL AND MEDIUM ENTERPRISES IN INDIA

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ABSTRACT
The MSME sector is a nursery of entrepreneurship, often driven by individual creativity and innovation. It is the most neglected and unorganized sector of the Indian rural economy. The very fact that more than 40 per cent of exports in India come from MSME sector shows that this sector has the maximum potential to create employment opportunities. But they lack in getting required support from the concerned government departments, banks and other financial institutions and corporate, which is handicap in becoming more competitive in the national and international markets. The Small Scale Industries (SSI) has been renamed as Micro, Small and Medium Enterprises (MSMEs) with the introduction of MSMED Act, 2006. People from remote areas have the tendency to migrate to urban areas in search of jobs. This creates excessive pressure on urban areas and initiates social and personal problems. This problem can be addressed by setting up a network of micro, small and medium enterprises in economically backward areas. MSME sector can take care of local needs, improve economic condition of the area and most importantly, can bring a qualitative change in the economy of the country. Data used in the present study are secondary in nature and mostly collected from the Annual Reports published by the Ministry of Micro, Small and Medium Enterprises. The study covers a period since 2005-06. The parameters like employment, total working enterprises, gross output, banks credits and others have been used for analysis of MSMEs. The study used simple percentage and average method. Hence, present study is undertaken on the rural development and sustainability of MSME in India.

KEY WORDS: Rural development, Small scale industry, MSME and sustainability.

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