



A Review

## A micro analysis on the performance of micro, small and medium enterprises in North-Eastern states

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**ABSTRACT :** Development of MSMEs would be one of the best options to achieve faster and more inclusive growth in our country. This sector was thought as fundamental to our country for maintaining growth with equity as a significant number of these enterprises is owned by people belonging to the disadvantaged sections of the society. Both the Eleventh (2007-2012) and Twelfth Five Year Plan (2012-2017) have initiated this strategy as the main objective of planning process with special focus on these enterprises. Even at global level these enterprises, a sub-sector of industries sector, have been accepted as the “engine of economic growth” for promoting equitable and inclusive growth. The development of this sector particularly in North-Eastern Region has a special significance and can be used as a development tool to empower women by providing employment to both skilled and unskilled women labour force. Keeping this importance of MSMEs in the inclusive development strategy, the present paper makes an attempt to analyze the performance of this sector with particular reference to North-Eastern Region of our country. The analysis focuses on the weaknesses and issues related to MSMEs in North-Eastern Region, makes some suggestions for providing a development plan to utilize the potentialities of this sector for generation of income and employment and to achieve a faster, sustainable and more inclusive growth during 12<sup>th</sup> Five Year Plan.

**KEY WORDS :** Enterprises, Productivity analysis, Generation of Employment, Fixed investment

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## INTRODUCTION

At present we are putting a lot of efforts to achieve “Faster, sustainable and more inclusive growth”. Government of India has made “more inclusive growth” a key element of the policy platform, stating as a goal, achieving a growth process in which people in different walks of life feel that they too benefit significantly from the process”. According to this strategy, the growth process should be “pro-poor” and “pro-disadvantaged” and the income of the poor and disadvantaged people grow faster than those of the population as a whole. The sustainable and more inclusive growth must generate net benefits for the poor and disadvantaged economic, social, environmental and cultural both in the short as well as long run. The Government is putting all its efforts to unlock opportunities for the excluded sections and has been focusing on strategies that enhance benefits to marginalized social and economic groups.

Keeping in view the performance of the “micro, small and medium enterprises” (MSMEs) in recent years, the development planners have come to a conclusion that the development of MSMEs would be one of the best options to achieve faster and more inclusive growth in our country. This sector was thought as fundamental to our country for maintaining growth with equity as a significant number of these enterprises are owned by people belonging to the disadvantaged sections of the society. Both the Eleventh (2007-2012) and Twelfth Five Year Plan (2012-2017) have initiated this strategy as the main objective of planning process with special focus on these enterprises. Even at global level, these enterprises, a sub-sector of industries sector, have been accepted as the “engine of economic growth” for promoting equitable and inclusive growth. USA, Japan, Germany, Taiwan, Europe, South-East Asia, Brazil, China and a host of both developed and developing countries are putting their planned efforts for the development of these enterprises to accelerate their economic progress. In