

KATALIN KISS

PhD, HR advisor

Fortis 21 Financial and Human Resource Organiser Ltd.

kisskati@fortis21.hu

NÁNDOR ZAGYI

MSc, Geographer

PhD Aspirant at University of Pécs, Faculty of Sciences, Doctoral School of Earth Sciences

zana@gamma.ttk.pte.hu

Principal Characteristics of the Indian Micro, Small & Medium Enterprises (MSME) Sector and Its Importance in Rural Development

Abstract

The spread and strengthening of the small business sphere in the rural areas of India could have a significant role in order to decrease the spatial and social differences derived from sociocultural and demographic reasons. In the first part of our study, by the analysis of the related statistical databases, we try to find the answers for what kind of results could it achieve in terms of the social integration of disadvantaged groups so far. Following this, within the framework of a short retrospect, we demonstrate the historical roots and traditions of the village business sphere's governmental programme, then we provide a thorough overview of the production and labour force positions of the enterprises taking part in the Khadi & Village Industries Program. Finally we refer to the transcending significance from the economic force of rural handicraft in terms of the revival of business promptitude and sustainability.

Key words

India; Small enterprises; Spatial and social disparities; Rural industries; Sustainable economy

1. Introduction

Within the corporate sphere, the micro, small and medium enterprises (MSMEs)— besides the fact that considering their number they are in majority, independent from economic development level and economic culture—represent a significant role in every country or region of the world both taking into consideration their employee numbers and economic performances (share of gross domestic product). Exactly the same situation can be found in India, having the second most populated labour force market with 482 million persons (CENSUS ONLINE 2011a) and the third greatest economy of the world (4,692 billion USD) considering the GDP on purchasing power parity (CIA ONLINE 2013), where the small sized entrepreneurial sphere—besides the increase of production and employment—could play a highlighted role in the strengthening of sustainable economy by decreasing poverty, raising up the role of the rural areas and decreasing the social inequalities (MISHRA, S. 2012).

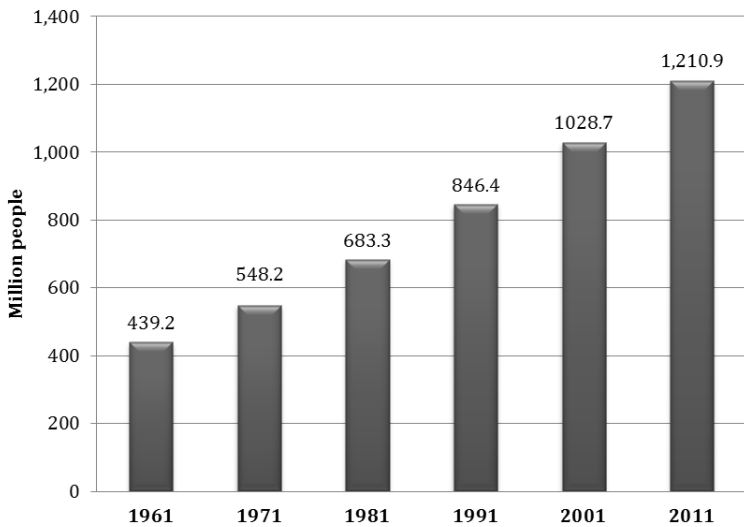


Figure 1 - Change of population in India in the last fifty years

Sources: CENSUS ONLINE 2001, 2011a

All of these would be highly important in such a country where the population in the past 50 years has almost tripled (*Figure 1*) with 100–180 million persons per decade, and, except for the last decade, increased by more than 20% (*Table 1*). The unemployment, due to the demographic stress—based on the estimate of the 2012–13 representative survey carried out by the Ministry of Labour & Employment (MLE ONLINE 2013)—is very high at the age groups between 15–29 (especially concerning women) (*Table 2*). However, it is also important to mention that the database on unemployment available from the official statistical sources (Annual Employment and Unemployment Survey Reports) is under-calculated, because of the over-generated employment at the public sphere (SPINAK, J. 2004), so it seems these numbers are much higher in reality.

Table 1 – Decadal growth of population in India

Sources: CENSUS ONLINE 2001, 2011a

Census decades	Decadal growth	Decadal growth (%)
1961–1971	108,924,881	24.8
1971–1981	135,169,445	24.7
1981–1991	163,091,942	23.9
1991–2001	182,316,397	21.5
2001–2011	182,117,541	17.7

Table 2 – Unemployment rates of different age groups in India (per 1000)

Source: MLE ONLINE 2013

Age Groups	Males & Females	Males	Females
15 & above	47	40	72
15–17	183	181	192
15–24	181	163	244
18–29	130	113	191
15–29	133	117	191
30 & above	10	7	19

Indirectly, the high rate of women employed in part-time or occasional labour also refers to this above mentioned fact; which is, in India (completely different from the developed western economies) regular-

ly not the result of the employees' free decision but rather the consequence of the significant amount of latent unemployment. While this ratio among all the employees is 40.4% opposite to the 17.7% of men, the ones involved in non-agricultural and household industries, so among the ones less concerned with the pressure of seasonality, constituting 41.6% of all the employees this value is 29.7% and 12.3% respectively (CENSUS ONLINE, 2011a).

The extreme spatial differences (WILHELM, Z. *et al.* 2010; WILHELM, Z. 2011; WILHELM, Z. *et al.* 2011) appearing in the income and life quality relations, similar to any other countries of the developing world, necessarily generate a domestic migration of great masses from the rural areas to the urbanised regions. The expectations of those unqualified people migrating to cities who expect for work, higher wages and better life quality are realised however very rarely, so in general they become the dwellers of the environment wrecking slums clogging together the unemployed and under paid population with extreme social pressure, getting out of the scope of the city authorities and security forces, or in an even worse scenario they will increase the number of the homeless. While the number of these latter class—leastwise according to the census data—in 2011 were under 1.8 million persons, which is 0.15% of the total population of India (CENSUS ONLINE, 2011a), the 65.5 million mass of people living in the slums comprise more than one-sixth of the total urban population (17.6%), but their ratio at the 45 cities with more than 1 million dwellers exceeds the average in 24, and in every fifth of these settlements they represent more than one-third of the total population (*Table 3*).

Table 3 – Indian cities having more than one third rate of slum population

Sources: CENSUS ONLINE 2011a, 2011b

City (M. Corp.)	State	Population	Slum	Rate of Slum Pop.
Jabalpur	Madhya	1,054,336	483,626	45.9
Visakhapatna	Andhra	1,730,320	770,971	44.6
Vijayawada	Andhra	1,048,240	451,231	43.0
Mumbai	Maharashtra	12,478,447	5,206,473	41.7
Meerut	Uttar Pradesh	1,309,023	544,859	41.6

Raipur	Chhattisgarh	1,010,087	406,571	40.4
Nagpur	Maharashtra	2,405,421	859,487	35.7
Agra	Uttar Pradesh	1,574,542	533,554	33.9
Hyderabad	Andhra	6,809,970	2,287,014	33.6

In our days, on the level of responsible thinking, it is becoming obvious that the sustainable development of the economy cannot be possible in the global context even in a mid-term time scale with the quantitative increase of the traditional, non-renewable resources. In this respect, besides the spread of diversification and the expansion of the alternative methods, one of the solutions could be the progress of the effectiveness. Widening the interpretation of sustainability and so involving the human workforce into the resources it seems to be obvious that in many cases the increase of the extensive resources utilisation—in accordance with the laws of the market economy—would be the most appropriate. And so it should be carried out in a way that not the public sphere (consuming the economic value surplus) but the private sphere (producing the economic value surplus) should be strengthened. It is outstandingly true to the overpopulated but economically developing countries, where in order to prevailing the viewpoints of sustainability not only the expansion of the labour force would be needed, but the provision of the lagging social classes (with low level of income) with a productive labour in an ever growing scale to be able to raise their life standards. According to the essence of our topic, so that the importance of the Indian micro, small and medium sized enterprises could be determining in this respect as well, further on, after the introduction of the structural basics of the country's SME sector, first we investigate in what scale it contributes to moderate the social inequalities.

2. Research Method

The research in this paper is based on a comparative analysis of statistical data. In the course of that, it has been taken stock of the results of the latest Indian MSME Census (MSME CENSUS ONLINE 2011) carried out

for the fourth time, and figures published in the governmental Planning Commission's evaluation study (PLANNING COMMISSION ONLINE 2001), and these ones have been compared to relating Indian census data. By means of this method, the role of the MSME sector and the Village Industries Programme played in the integration of socially disadvantaged, mostly rural population, and along with it, in the strengthening of rural development and sustainable economy are presented.

3. The major structural characteristics of the MSME sector in India

Opposite to the EU regulations, the basis for the classification by the size group of enterprises relies on the number of employees, the annual revenue or the total assets and the measure of the co-owners' share, in India the firms are classified by the value of the invested materials into the manufacturing or service activity. The Micro, Small & Medium Enterprises Development Act (GAZETTE ONLINE 2006) about the organizational-judicial background of the support and development of the small enterprises coming into force in 2006, independent from the number of employee, the economic performance, the corporate form and the owners, binds the certain size categories to relatively high value limits (*Table 4*).

Table 4 – Classification of Indian MSMEs by quantity of investments

Source: GAZETTE ONLINE, 2006

Category of size	Enterprises engaged in	Enterprises engaged in
	Investment in plant & machinery	Investment in equipment
Micro Enterprise	< 2,500,000 INR	< 1,000,000 INR
Small Enterprise	2,500,000–50,000,000 INR	1,000,000–20,000,000 INR
Medium Ent.	50,000,000–100,000,000 INR	20,000,000–50,000,000 INR

According to the prognosis of the Ministry of Micro, Small and Medium Enterprises 2012–2013 report, in the period commencing the base year of 2006–2007 of the Fourth All India Census of Micro, Small & Medium Enterprises, the complete Indian MSME sector produced a considerable increase concerning the number of functioning enterpris-

es, the number of their employees, the market value of the fixed assets and the amount of the gross output (*Table 5*).

Table 5 – Change of the main quantitative indicators of Indian MSME sector

Source: MSME ONLINE 2013

Indicators of MSMEs	2006–2007	2011–2012	Rate of growth
Number of working	36.2 million	44.8 million	23.8
Number of employees	80.5 million	101.3 million	25.8
Market value of fixed assets	8,685.4 billion	11,769.4 billion	35.5
Gross output (INR)	13,513.8 billion	18,343.3 billion	35.7

Table 6 – Rate of enterprise size categories by the main quantitative indicators

Source: MSME CENSUS ONLINE 2011

Indicators of MSMEs	Rate of micro	Rate of small	Rate of medium
Number of enterprises	94.9	4.9	0.2
Number of employees	70.2	25.2	4.6
Value of fixed assets (INR)	37.7	49.8	12.5
Gross output (INR)	44.2	45.1	10.7

As the results of the MSME census within the scope of the enterprises recorded and registered by the competent governmental offices (District Industries Centres of the State Governments or Union Territory Administrations), according to the expectations, the MSME sector primarily consists of micro enterprises providing an income source for 70% of the employees of this sphere. However, considering the value ratio of their fixed assets and product reissue, they have a huge disadvantage compared to the small and mainly middle sized enterprises (*Table 6*). A little more than two-thirds of the enterprises (67.1%) carry out peculiarly producing, processing industry activities—nine out of ten cases in the framework of proprietary enterprises. Regarding the state-wise composition of MSME performances (for example: density of enterprises [*Figure 2*] or the value of gross output per entrepreneurial units [*Figure 3*]), similarly to that of other Indian social characteristics considerable, but varied disparities can be found.

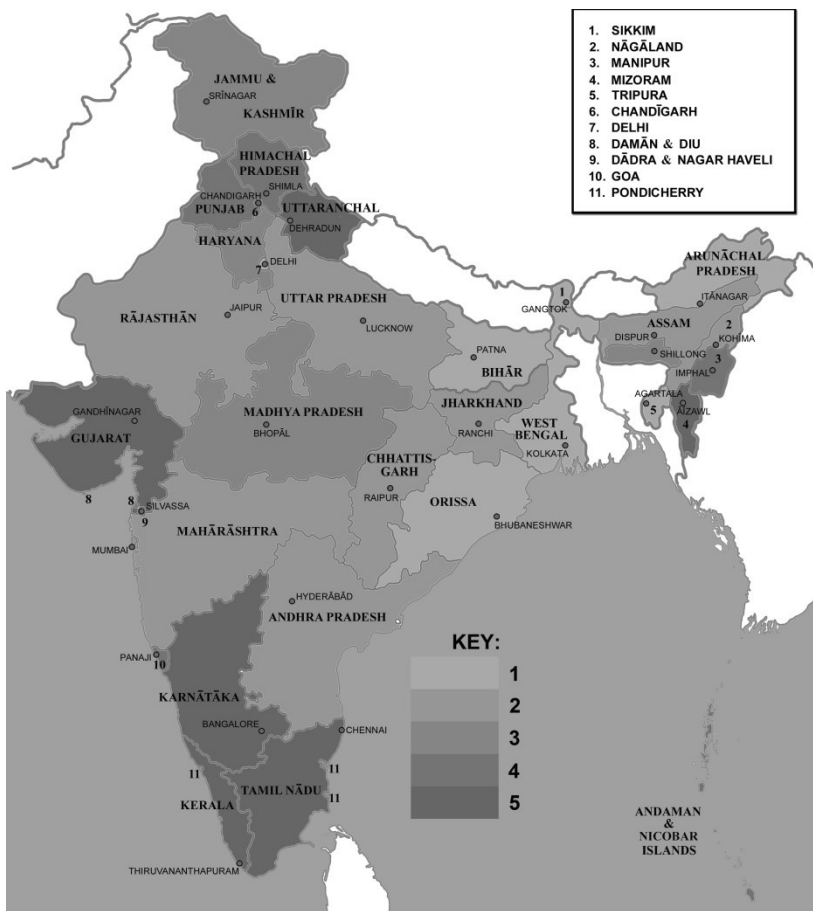


Figure 2 – State-wise disparity in density of working registered MSMEs (Number of MSMEs per 100 thousand inhabitants)

Key: 1: < 50; 2: 50-99; 3: 100-149; 4: 150-200; 5: > 200

Sources: MSME CENSUS ONLINE 2011, CENSUS ONLINE 2011a

The comparative advantage of the city against the rural areas is obvious in this sense. Although, the increase of the rural population lags behind the city (in the last census decade it was 12.3 and 31.8%) and so its ratio is continuously decreasing; according to the data of the

2011 census, the rural people still constitutes more than two-thirds (68.8%) of the total population of India (CENSUS ONLINE 2011a). On the contrary, only 42.5% of the registered MSM enterprises and merely 39.5% of the employees were villagers (MSME CENSUS ONLINE 2011).

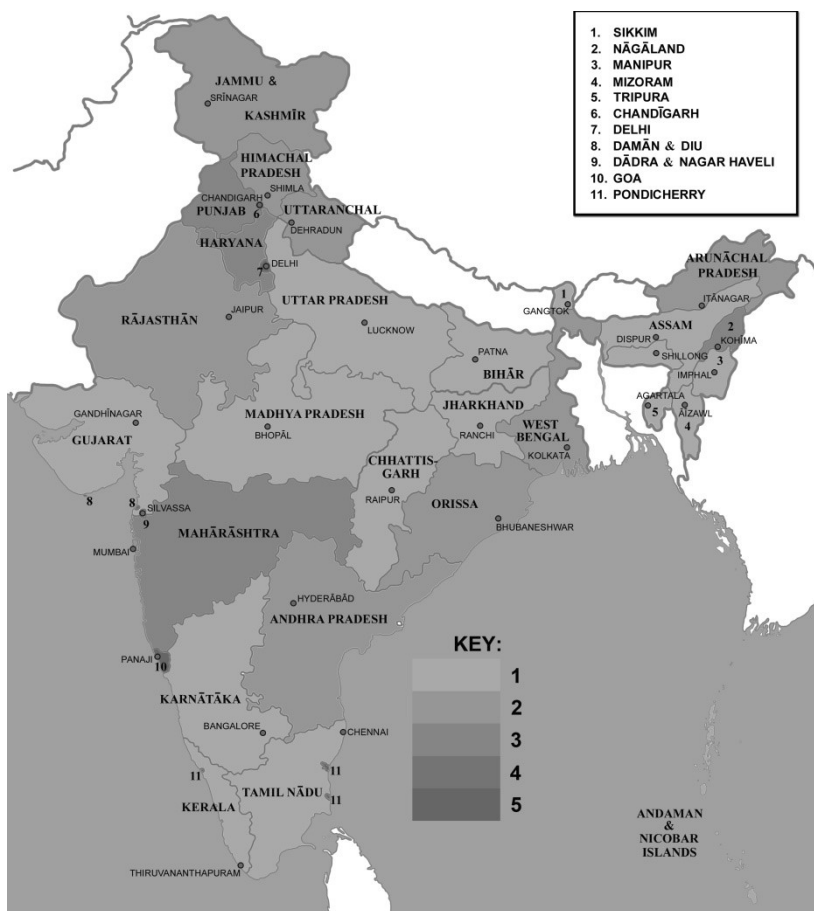


Figure 3 – State-wise disparity in value of gross output per MSME units (million INR)

Key: 1: < 5; 2: 5-9.9; 3: 10-14.9; 4: 15-24.9; 5: > 25

Source: MSME CENSUS ONLINE 2011

The disadvantage of women against men is even more obvious; the ratio of both the female employees and the female-owned enterprises is far lower (4–6 times) than the male population's same indicators (*Table 7*).

Table 7 – Gender composition of MSME owners and employees compared with work participation rate among main workers

Sources: CENSUS ONLINE 2011a; MSME CENSUS ONLINE 2011

	Males	Females
Rate of MSME owners (%)	86.3	13.7
Rate of MSME employees (%)	79.6	20.4
Work participation rate of main workers (%)	53.3	25.5

And it is still a rather considerable difference when we take into consideration the broadly two times more over-representation of the male main workers. We can establish something similar conclusions at the comparison of the share of the ones belonging to the scheduled castes and scheduled tribes out of the total population and at the comparison of the owner and employee ratio experienced at the MSME sector (*Table 8*).

Table 8 – SC- and ST-wise composition of MSME owners and employees compared with share in total population

Source: CENSUS ONLINE 2011a; MSME CENSUS ONLINE 2011

	Share in MSME owners (%)	Share in MSME employees (%)	Share in total population (%)
Members of scheduled castes (SCs)	7.6	11.8	16.6
Members of scheduled tribes (STs)	2.9	5.3	8.6

While the villagers in point of these social groups' owner and employee status seemingly possess a somewhat more advantageous situation, this advantage is far smaller than what we would expect from their presence at the rural labour force (*Table 9*).

Table 9 – Rural-urban composition of MSME owners, employees and main workers by the main disadvantaged social groups

Source: CENSUS ONLINE 2011a; MSME CENSUS ONLINE 2011

	Share in MSME		Share in MSME		Share in main	
	Rural	Urban	Rural	Urban	Rural	Urban
Females	15.3	12.4	22.4	19.2	81.3	18.7
Members of scheduled castes (SCs)	10.2	5.4	14.2	10.2	79.3	20.7
Members of scheduled tribes (STs)	4.0	1.9	6.2	4.7	92.4	7.6

Taking into consideration the members of the most important Indian religious communities, among the MSME owners we can state that the Christians and Sikhs, being already in an advantageous situation, in relation to social-economic concerns compared to the complete population have a nearly two times higher presence, while the Muslims are unequivocally under represented especially among the urban population (*Table 10*).

Table 10 – Distribution of MSME owners and the total population by the main religious communities

Source: CENSUS ONLINE 2001; MSME CENSUS ONLINE 2011

	Share in MSME owners (%)			Share in total population in 2001		
	Total	Rural	Urban	Total	Rural	Urban
Hindus	81.2	80.6	81.7	80.5	82.3	75.6
Muslims	9.1	9.1	9.1	13.4	12.0	17.3
Christians	4.1	5.3	3.1	2.3	2.1	2.9
Sikhs	3.3	2.8	3.7	1.9	1.9	1.8

So taking into consideration the geographical incidence of the MSME sector among the backward social classes, villagers, women, members at the bottom of the scheduled castes and scheduled tribes or even among the Muslim population, we have to see that the small entrepreneurial sphere has a lot to recover in terms of decrease of social inequalities.

4. The Khadi and Village Industries Programme (KVIP)

However, it is worth analysing a special segment of the Indian MSME sphere, one of the high priority elements in order to accomplish the objectives of the Indian entrepreneurial and regional development policy of the government's initiatives the Khadi and Village Industries Program, and the social integration accomplishment of the small enterprises functioning in its organisational framework. The primary task of this initiative is the non-agrarian marketable village employment realised with a relatively small capital investment, in many cases the increase of self-employment and by the active support of the decentralisation of the industrial production, education, technological transfer, marketing activities, research & development and financing, the contribution to the realisation of the assumptions of sustainable economy (MSME ONLINE 2013).

The roots of the programme trace back to the beginning of the 20th century when one of the tools of the Indian liberator struggles, the *swadeshi* became a mass movement. This campaign gaining its name from the meaning of the compound word, "one's own country" (KURIAN, G. T. 1976), gathered momentum with a protest rising after the 1905 split of Bengal to one Hindu and one Muslim majority part of the country, *Western* and *Eastern Bengal*, protesting against the *British India* policy which intended to divide the uniformly interpreted or imagined Indian nation (ANTONOVA, K. A. *et al.* 1981).

Its basic aim is the initiation and strengthening of the modern national manufacturing industry, besides which, however, it patronised the wide spread allocation of the traditional craftsmanship production, as well. The success of the movement having strong masses from the population was that they connected this with the boycott of the English products, making its effects felt in greater and greater areas of the colony in a way that their import decreased by 1906 with 15-50% (BALOGH, A. 1979). The *swadeshi* and the boycott actuated with an inspiring effect on every layer of the society from the Brahmins to the home servants and the ones buying British products were descended

upon with ostracism and very often with bolting out from the cast as well.

The spiritual leader of this movement was *Sri Aurobindo*, originally called *Aurobindo Ghose* (1872–1950), poet, philosopher and outstanding representative of the Indian liberty concept, who published in the *Bande Mataram* in numerous instigating articles and studies his ideas on the methods of swadeshi and passive resistance and who was arrested because of this in 1907 (BASU, D. K. 2006). The development of the domestic industry, the preference of the industrial products manufactured at the subcontinent and the rejection of foreign products received a formal political support as well, since by the decisions of the National Congress, providing the basis for the all Indian organisational base for the fight for the national autonomy rights, declaratively stood up for these aims (BESANT, A. 1915).

Nevertheless, we cannot identify the swadeshi and the “buy Indian” movement with the aim to create an autarchy-based economic structure (SHARMA, J. N. 2013); however, their elements still survived in that part of the Gandhian constructive programme, in order to ease the physical and intellectual poverty of the rural areas, which, built on the philosophy of self-sufficiency, aimed to produce homemade the *khadi*, the cotton cloth serving the basis for the clothing of the villagers, made from domestic sliver on charkha from braided strand on manual weaving loom for own use (GANDHI, M. K. 1941, KUMAR, S. 1984).

Although, at the beginning the khadi movement had to face with numerous problems, so it had to tackle with the lack of raw material, instruments and professional competence, about which Gandhi, who played an active role in the work of manual spinning and weaving himself (*Figure 4*), gives a sensitive report in his Biography (GANDHI, M. K. 1982).

Finally, this initiation not even proved its viability, but also had fruitful effects on the environment conscious alternative economy and the idea of the human-scaled economy based on autonomous small ventures (SCHUMACHER, E. F. 1973). Moreover, it also obtained a highlighted role in the fight for acquiring political autonomy (ROY, S. 2006)

and its symbolic significance is shown that the *charkha* was also put on the so called “Swaraj Flag” pronounced official by the *National Congress* in 1931.



Figure 4 – Gandhi spinning on charkha (unknown location, late 1920s)

Source: ONEFINALBLOG ONLINE (2013)

These ambitions of *Gandhi*, who can also be respected as the “fore-father” of rural development, are still alive, and due to one of his closest fellow fighter, the Bengali *Rajendra Prasad* (1884–1963) having outstanding merits in establishing khadi weaving and in general the boost of village handicraft, being the first and up till now the only president through two voting periods, in the independent India now they constitute a part of the official economic policy (PRASAD, Y. 2006). The Khadi and *Village Industries Commission Act*, 1956 on setting up a governmental body, the *Khadi and Village Industries Commission* (KVIC), responsible for the organising and management of the labour for rural industry development came into effect during his presidency as well.

According to its name, the KVIP is divided to two sub programmes. Within the framework of the *Khadi Programme* they produce exclusively textile products (wool, cotton, silk and muslin drape), but the *Village Industries Programme*, being much more significant taking into consideration its production value and the number of employees as well, covers a wide range of production activities (mineral based industry, forest based industry, agro based & food processing industry, polymer & chemical based industry, rural engineering & biotechnology industry, handmade paper & fibre industry and service industry). However, it is very important to stress that the small enterprises belonging to the KVI sector cannot deal with producing, preparing or selling such materials which are basically opposite to the health and environment conscious approach and the spiritual heritage of Gandhi. These are for instance the meat industry products, the different health injurious excise goods (alcoholic beverages, tobacco, stimulants) and materials made of not or hardly reusable plastics.

The *Central Government* provides annually growing funds for the KVI sphere from a detached monetary source serving the establishment of new businesses and develop and modernise the existing ones in the form of non-refundable subsidy and credits; while at the turn of the Millennium it was 4 billion rupees (about £40 million), in the 2011–2012 business year it reached 17 billion (ANNUAL REPORTS ONLINE, 2003–2013). The results of the rural development are indicated by the continuous, annual 6–6.5% increase of the sector's income from product and services disposal and the number of the employees. And this result shall not be dispraised even if we are aware of the fact that, taking into consideration the complete Indian economy, the relative performance of the KVI sector can practically be negligible, since its labour force share is only 2.5% (CENSUS ONLINE, 2011a).

Finally, concerning the latter years, the two sub programmes' correlated product turnover and employment data of the businesses is also worth analysing. From these we can clearly see, as we referred to it earlier, that the significance of the businesses within the framework of the *Khadi Programme* is marginal at both cases (*Table 11–12*) and as

a consequence of the low world market price of the textile products their sales performance, so the size of product sales per one employee, is much smaller than concerning the same values of the businesses of the Village Industries Programme.

Table 11 - Relative importance of KVI subgroups by sales of products

Source: ANNUAL REPORTS ONLINE 2003-2013

Business years	Sales of products (billion INR)		Comparative share of KVI subgroups by sales of products (%)	
	Khadi	Village Industries	Khadi	Village Industries
2006-2007	6.6	188.9	3.4	96.6
2007-2008	7.2	208.2	3.3	96.7
2008-2009	8.0	219.5	3.5	96.5
2009-2010	8.7	232.5	3.6	96.4
2010-2011	9.2	248.7	3.6	96.4
2011-2012	9.7	258.3	3.6	96.4

Table 12 - Relative importance of KVI subgroups by number of employees

Source: ANNUAL REPORTS ONLINE 2003-2013

Business years	Number of employees (million)		Comparative share of KVI subgroups by number of employees (%)	
	Khadi	Village Industries	Khadi	Village Industries
2006-2007	0.9	8.0	10.1	89.9
2007-2008	0.9	9.0	9.1	90.9
2008-2009	0.9	9.5	8.7	91.3
2009-2010	1.0	9.9	9.2	90.8
2010-2011	1.0	10.4	8.8	91.2
2011-2012	1.0	10.9	8.4	91.6

However, since in the case of these latter ones the volume of the sales and the number of the employees increases at the same rate, so their performance is stagnating, but in the scope of the former ones the annually increasing employee number with only a few tens of thousands go hand in hand with a sensible amount of turnover increase, so

their sales performance demonstrate an increasing tendency (*Table 13*).

Table 13 – Performance in sales by KVI subgroups

Source: ANNUAL REPORTS ONLINE 2003–2013

	Value of sold products per employee (INR)	
	Khadi	Village Industries
2006–2007	7,300	23,600
2007–2008	8,000	23,100
2008–2009	8,900	23,100
2009–2010	8,700	23,500
2010–2011	9,200	23,900
2011–2012	9,700	23,700

Taking into consideration the results of the KVIP in receiving a life quality improvement at the rural population with low social status we (lagging any newer database) have to rely on the results of a governmental institution, the *Planning Committee's* sample survey for the 8th 5 year plan (1992–1997) (PLANNING COMMISSION ONLINE, 2001). The survey, which statements are based on the data of 730 households in 18 Indian states' 176 KVI units, has been initiated by the Government because of the doubts that were raised in connection with the social-economic effectiveness and *raison d'être* of the KVIP. The facts related to the attendance of the lagging social groups in the KVIP and their life quality improvement can be summarised in the followings.

In a social point of view 74% of all the households belong to a disadvantageous positioned community, tribe or cast or other backward classes. Since their ratio from the total population, following a continuously decreasing tendency, is around 65% today we can say that their participation ratio in the KVIP is adequate to their population share or even slightly overrepresented. 34% of the employees were illiterate and a further 27.5% had only elementary qualification and more than 90% was living and working at the same district. Out of these data we can univocally see that the ones taking part in the programme mostly

belonged to the disadvantaged social classes with low levels of income belonging to the local population.

The share of the analysed households' income from the activities carried out within the framework of the KVIP was 52.7%. In the case of the ST/SC/OBC population this value was slightly higher (55.5% opposite to the 46.6% of the others) so considering their living they relied more on the KVIP. Since there was no considerable difference between the two groups' total average income it also means that the KVIP income per person at the backward families was nearly 20% higher. Nevertheless these wages were not considered to be high even compared to the rate of wages of the 1990s, it is anyway a considerable fact how great role they have in moderating the deprivation of the involved families. Namely, the data of the survey confirm that lagging the income provided by the KVIP a bit more than $\frac{2}{3}$ of the families would achieve a life quality which is under the poverty line.

Realising the above mentioned, it is obvious that, even at present, we should not judge the real importance of this rural enterprise development initiative according to the absolute economic performance. Rather in the case of the social closing up defined as the basic momentum of sustainability and mainly in the case of the khadi subprogramme based on those results which could be achieved during the war of independence, nation building and the taking of the roots of the unified Indian nation concept and in the practical utilisation of the entrepreneurial and innovation abilities always present in the local community members. For this latter the couple of years earlier launched new product on the market provides an excellent example in order to advance the spread of the environment conscious and sustainable economy, the manual spinning wheel, the so called e-charkha (*Figure 5*) which is also appropriate to produce electricity. The machinery, developed together by KVIC and a small business in Bangalore producing energy saving equipments, besides that it is able to throw 2400 m strand in two hours working time, during the operation, with the support of the rotated components and connected generator, such an amount of electricity can be produced which is sufficient to run the

1 watt accessory LED light and a small transistor radio for seven and a half hours (KVIC ONLINE, n.a.).



Figure 5 – Conventional and modified e-charkha

Source: FLEXITRON ONLINE (n.a.)

5. Summary

In the overpopulated *India*, facing with the demographic pressure, where the social and spatial inequalities occasionally take extreme measures, in order to raise up the rural regions and improve the chances for the integration of the disadvantaged social groups, it would be essential to enhance the governmental efforts aiming to develop small businesses. Although, the value of the product reissue of the MSME sector and the number of the employees, in the view of the total Indian economy, is rather considerable and, moreover, it increases annually, according to the conclusions of our research, the countryside, the women, the most disadvantaged positioned castes, the mem-

bers of the tribal community and the Muslims also being in a disadvantaged position concerning the social-economic indicators, are well perceptively under represented both among the owners and the employees.

According to its accentuated occupation in rural development, in this respect, it can have a much higher significance, at least in the long run for the decades long Khadi and Village Industries Program, which also holds a brief to the attendance and spread of the Gandhian spirit for constructive and environment conscious social development by the predomination of the aspects of sustainability. Besides that the performance and labour market positions of the khadi branch, carrying out the production of the textiles, providing the raw material for the traditional Indian costumes, is rather nominal compared even to the complete MSME sector, its catalysing role in the social integration, the entrepreneurial and innovation promptitude in the revival of the rural areas can be perceived even at present.

References

- ANTONOVA, K. A. – BONGARD-LEVIN, G. M. – KOTOVSZKIJ, G. G. (1981). *India története*. – Kossuth–Gondolat, Budapest, 613 p.
- BALOGH, A. (1979). *Társadalom és politika a gyarmati Indiában (1905–1947)*. – Kossuth, Budapest, 293 p.
- BASU, D. K. (2006). *Aurobindo, Sri*. In: WOLPERT, S. (ed.) *Encyclopedia of India*. – Thomson Gale, Detroit etc., Vol. 1, pp. 75–77.
- GANDHI, M. K. (1982). *An Autobiography or The Story of My Experiments with Truth*. – Penguin Books, Harmondsworth, 454 p.
- KURIAN, G. T. (1976). *Historical and Cultural Dictionary of India*. – The Scarecrow Press, Metuchen, 307 p.
- PRASAD, Y. (2006). *Prasad, Rajendra*. In: WOLPERT, S. (ed.) *Encyclopedia of India*. – Thomson Gale, Detroit etc., Vol. 3, pp. 328–331.
- ROY, S. (2006). "A Symbol of Freedom": *The Indian Flag and the Transformations of Nationalism, 1906–2002*. – *Journal of Asian Studies*, Vol. 65, No. 3, pp. 495–527.
- SCHUMACHER, E. F. (1973). *Small is Beautiful: A Study of Economics as if People Mattered*. – Blond & Briggs, London, 288 p.

- SHARMA, J. N. (2013). *Alternative Economics: Economics of Mahatma Gandhi & Globalisation*. – Deep & Deep Publications, New Delhi, 196 p.
- WILHELM, Z. – RUDL, J. – R. BANK, K. – GÁLOSI-KOVÁCS, B. – BENOVIĆS, G. – DÉRI, I. – PISZTER, G. (2010). *Területi különbségek vizsgálata Indiában / The Survey of Spatial Disparities in India*. – Földrajzi Közlemények / Geographical Review, vol. 134, No. 3, pp. 299–312.
- WILHELM, Z. (2011). *The Survey of Spatial Disparity in India with the Application of the SENTIENT Index* – Hungarian Geographical Bulletin / Földrajzi Értesítő, Vol. 60, No. 1, pp. 45–65.
- WILHELM, Z. – PETE, J. – NEMES, V. – ZAGYI, N. (2011). *The Survey of Spatial Disparity in India with the Application of the SENTIENT Index with Special Focus on Religious Composition*. – Human Innovation Review / Humán Innovációs Szemle, Vol. 2, No. 1, pp. 56–76.

Electronic sources

- ANNUAL REPORTS ONLINE (2003–2013). *Annual Reports of MSMEs*. – Ministry of Micro, Small and Medium Enterprises [online]. Available at: <http://msme.gov.in/msme_ars.htm> [Accessed: 26 April 2014]
- BESANT, A. (1915). *How India Wrought for Freedom: The Story of the National Congress Told from Official Records* [online]. Theosophical Publishing House, Adyar etc., 709 p. Available at: <<https://archive.org/details/howindiawroughtf00besa>> [Accessed: 18 April 2014]
- CENSUS ONLINE (2001). *Tabulations Plan of Census Year 2001* [online]. Census Digital Library. Available at: <<http://www.censusindia.gov.in/DigitalLibrary/TablesSeries2001.aspx>> [Accessed: 20 April 2014]
- CENSUS ONLINE (2011a). *Population Enumeration Data (Final Population)*. – Ministry of Home Affairs, Office of the Registrar General & Census Commissioner, India [online]. Available at: <http://www.censusindia.gov.in/2011census/population_enumeration.aspx> [Accessed: 20 April 2014]
- CENSUS ONLINE (2011b). *Provisional Population Totals Paper 2 of 2011: India (Vol II)* [online]. (pdf) Ministry of Home Affairs, Office of the Registrar General & Census Commissioner, India Available at: <http://www.censusindia.gov.in/2011-prov-results/paper2-vol2/data_files/India2/Table_2_PR_Cities_1Lakh_and_Above.pdf> [Accessed: 21 April 2014]

- CIA ONLINE (2013). *India*. – The World Factbook [online]. Available at: <<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>> [Accessed: 18 April 2014]
- DUBEY, A. (2014). *Globalization & Its Impact in Small Scale Industries* [online]. (pdf) Global Journal of Multidisciplinary Studies, Vol. 2, No. 2, 9 p. Available at: <<http://www.gjms.co.in/index.php/gjms/article/download/35/61>> [Accessed: 18 April 2014]
- FLEXITRON ONLINE (n.a.). *E-charkha: The Humble Gandhi Charkha is now e-charkha* [online]. Tripod. Available at: <<http://flexitron.tripod.com/echarkha/DSC01017.JPG>> [Accessed: 30 April 2014]
- GANDHI, M. K. (1941). *Constructive Programme: Its Meaning and Place* [online]. Navajivan Publishing House, Ahmedabad, 31 p. Available at: <<http://www.mkgandhi.org/cnstrct/cnstrct.htm>> [Accessed: 18 April 2014]
- GAZETTE ONLINE (2006). The Micro, Small and Medium Enterprises Development Act, 2006 [online]. (pdf) The Gazette of India, 11 p. Available at: <http://www.egazette.nic.in/writereaddata/2006/E_31_2011_065.pdf> [Accessed: 22 April 2014]
- KNOWLEDGE MANIA ONLINE (2013). *The Flag of India*. [online]. Knowledge Mania: It's all About Knowledge!! Available at: <<http://knowledgemaniana.blogspot.hu/2013/08/the-flag-of-india.html>> [Accessed: 30 April 2014]
- KUMAR, S. (1984). *Az önellátás filozófiája*. In: ENDREFFY Z. – KODOLÁNYI Gy. (eds.) *Ökológiai kapcsolatok* [online]. Népművelési Intézet, Budapest. Available at: <<http://mek.oszk.hu/02200/02278/html/12.htm>> [Accessed: 18 April 2014]
- KVIC ONLINE (n.a.). *Khadi: Release of e-Charkha* [online]. (pdf) Khadi & Village Industries Commission, Ministry of MSME. Available at: <http://www.kvic.org.in/PDF/e_charkha.pdf> [Accessed: 27 April 2014]
- MISHRA, S. (2012). *Small Scale Industries: Striving and Thriving in the Era of Globalization* [online]. (pdf) International Journal of Enterprise Computing and Business Systems, Vol. 2, No. 2, 17 p. Available at: <<http://www.ijecbs.com/July2012/5.pdf>> [Accessed: 18 April 2014]
- MLE ONLINE (2013). *Report on Third Annual Employment and Unemployment Survey (2012- 2013) Volume 1* [online]. (pdf) Ministry of Labour & Employment, Labour Bureau, Chandigarh, 249 p. Available at: <http://labourbureau.nic.in/EUS_2012_13_Vol_1.pdf>

[Accessed: 19 April 2014]

MSME ONLINE (2013). *Annual Report 2012–2013: Micro, Small & Medium Enterprises* [online]. (pdf) Ministry of Micro, Small and Medium Enterprises, New Delhi, 361 p. Available at:

<<http://msme.gov.in/WriteReadData/DocumentFile/ANNUALREPORT-MSME-2012-13P.pdf>> [Accessed: 22 April 2014]

MSME CENSUS ONLINE (2011). *Fourth All India Census of Micro, Small & Medium Enterprises 2006–2007* [online]. (pdf) Development Commissioner, Ministry of Micro, Small & Medium Enterprises, New Delhi, 303 p. Available at:

<<http://fisme.org.in/document/FinalReport010711.pdf>>

[Accessed: 22 April 2014]

ONEFINALBLOG ONLINE (2013). *Mandela. Yes. MLK. Yes. Gandhi. No.* – Onefinalblog: Honestly, it touches me, and I share it with you [online]. Available at:

<<http://onefinalblog.wordpress.com/2013/06/24/mandela-yes-mlk-yes-gandhi-no/>> [Accessed: 30 April 2014]

PLANNING COMMISSION ONLINE (2001). *Evaluation Study on Khadi and Village Industries Programme* [online]. (pdf) Programme Evaluation Organisation, Planning Commission, Government of India, New Delhi, 94 p. Available at:

<http://planningcommission.nic.in/reports/peoreport/peoevalu/kvic_fin.pdf> [Accessed: 06 June 2014]

SPINAK, J. (2004). *A Macroeconomic Analysis of the Indian Economy* [online].

MIT, Sloan School of Management, 16 p. Available at:

<<http://web.mit.edu/profit/India%20and%20Outsourcing%20Papers/Final%20Paper%20for%20India%20Class%20-%20Joshua%20Spinak.doc>> [Accessed: 20 June 2014]