United Nations MSME Day: ISED Scans the COVID-19 Scenario

Project MSMER, under the India MSME Communication Programme(IMCP) of the Institute of Small Enterprises and Development(ISED), will come out with its annual document, 'India MSME Report 2020', shortly. The findings of the Report will be released on the UN MSME Day, June 27. The United Nations has declared "Supporting Small Businesses through the COVID-19 Crisis", as the lead theme of MSME Day, this year.

"Saluting the toiling MSMEs of India, and the Rest of the World", ISED Director, Dr.P.M.Mathew points out that, "doom and gloom are not the answers to the MSME predicament under this Pandemic". MSMEs, anywhere in the world, have their natural resilience. But, what is unique under this Pandemic situation is that, their counter-cyclical role is failing in many countries. Empowering them to perform this role, supported by a strong economic governance system, means good economic sense. The tragedy is that, this is absent in many countries.

In India, like the structural diversity of the MSMEs, the nature of the disruption in their functioning due to the Pandemic, also vary according to size, subsector, and location. Besides, multiplicity of factors such as overall slowdown of the economy, border threat from neighboring countries, a unique phenomenon of migration and return migration etc, demands "out-of-the box" thinking on corrective steps and development strategies.

Following the outbreak of the Pandemic, not only governments, but also policy analysts, began running helter-skelter on fire-fighting strategies. In the post-Keynesian world, the SME role is altogether different, and hence, they require special treatment, the ISED Press Brief points out. A little more of credit availability and tax reliefs will not do the job; action within a subsector framework is the imperative.

The Institute, and its knowledge hub, the ISED Small Enterprise Observatory, has developed a research agenda on "enterprise Security", since 2013, and has submitted several recommendations to the Government of India from time to time. The recent developments in connection with COVID 19 have proved the need for looking at MSME problems from such a new angle, says the Institute.