

INSTITUTE OF SMALL ENTERPRISES & DEVELOPMENT

Annual Report 2015-16



"Sustainable development through enterprise"

Institute of Small Enterprises & Development

The origin of the Institute, in 1988, owes to the initiatives of a group of professionals and concerned citizens from various parts of India, who were influenced by the global Sustainable Development agenda, put forward by the World Commission on Environment and Development. The active helping hand of the Planning Commission, New Delhi, offered the early strength and vitality to the nascent Institute.

ISED considers development of private enterprise as the fulcrum of sustainable development. The Institute believes that, even when the global resources get depleted day by day, sky is the limit for human capabilities. It is these capabilities or creativity (or 'entrepreneurship' in a wider sense), that forms the ground for germination and growth of enterprises.

Action for sustainable development of enterprises and entrepreneurship is complex, and difficult. It needs to be based on a holistic understanding of the process of development, on the one hand, and feedback on intelligent interventions, on the other. Suck understanding and action leads to knowledge creation. ISED programme and strategies are anchored on such a knowledge base.

Our Vision

The motto of ISED is 'sustainable development through enterprise'. We seek a world where people armed with their creativity; strive for sustainable development, entrepreneurship being the means.

Our Mission

The mission of ISED is to advance the theory and practice of sustainable development, among enterprises and their various stakeholders: policy makers, financial institutions, promotional agencies, international partners, media, and the community at large.

ISED Programme Goal & Approach

It is anchored on all who have the aspiration for enterprise has a means of livelihood. ISED aims to accomplish this goal both through direct field interventions as also through partnerships and advisory roles. The Institute's approach is focused on developing the potential of entrepreneurs, especially at the marginal level, to drive long lasting equitable changes. We strategically emphasize on research advisory services, business development services, communication, and creation of a knowledge base that is relevant to the context.

The ISED efforts & Initiatives are focused fighting the underlying causes of the invisibility of small & medium enterprises as a constituency. The programming approaches at the Institute includes, social analysis and action, value chain based and autonomous capacity building approaches, leaderships & life skills strengthening, policy analysis and facilitating links and dialogues between the government sector, private sector and the third sector.

Institute of Small Enterprises and Development has been working since 1988, focusing on the area of enterprise development, as a focal theme of sustainable development. We do this through well planned and comprehensive programs in several related areas of research, capacity building, communication, maintenance of knowledge systems, and outreach activities. Our overall goal is the empowerment of people, acting as a catalyst for enhancing their creativity through the entrepreneurship channel. In the process, it addresses the central issues of social policy and concern such as employment promotion, local economic development, and balanced regional development.

In terms of its programme, the ISED works at the all India level, with natural, global and regional linkages, in terms of activities and partnerships.



UNITED NATIONS



SUSTAINABLE DEVELOPMENT



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Catalysts of Change

Over the years, the ISED has acted as a catalyst to change in the entrepreneurship and livelihood scene. We continuously strive to ensure that our intervention brings about change which is sustainable, inclusive, and replicable.

We act as change agents, to the extent possible, by contributing to shifting attitudes on self employment, promoting ideas of meaningful economic governance, advocating strategies of socio economic resilience ; all contributing to sustainable enterprise development.

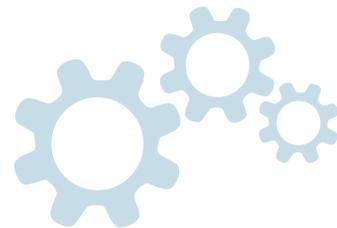
About the Report

This report outlines the work of the ISED during the financial year 2015-16. We present some highlights from our work, along with other initiatives to strengthen our engagement with the impact constituency, as also in relation to our social responsibility.



Why Sustainable Enterprise Development ?

Physical resources, globally as also in India, get depleted day by day. The possibilities renewing such resources, also is marginal. However, human creativity and aspirations do not have such bounds. Therefore, triggering the achievement motivation of people holds the key to sustainable economic development. It also provides the key for a more inclusive and egalitarian society.



MESSAGE FROM THE CHAIRMAN



“ We strive to ensure that our interventions bring about sustainable, inclusive, and replicable changes in the economy, and in the society at large” “

The year 2015-16 has been marked by a difficult global situation, both at the macroeconomic level, as well as at the micro level of employment and incomes. This has had implications for the prospects of micro, small, and medium enterprises around the world. In Asia, as also in India, the situation is little bit different, especially because of the tradition and practice of development in this part of the globe.

Despite such reasonably better position of the Indian economy, the micro, small, and medium enterprises in the country are undergoing difficult times especially because of structural factors, which naturally calls for reforms and remedial measures. At our Institute, under the various Knowledge Centres , initiatives have been taken to grapple with such issues, and to come out with solutions and suggestions. While these solutions and suggestions have to happen both at the macro and micro levels, within its limited capacities, the Institute's attempts are spread out in terms of research, advisory services, and business development services. The Institute's specialized knowledge platform, the ISED Small Enterprise Observatory, also renders a unique job.

The achievements of the year have been brought out through the pages of this annual report. Besides providing complacence, this is also time for us to resolve on accelerated commitments and initiatives in the year ahead and beyond.

Best wishes

Kamal Nayan Kabra
Chairman

MESSAGE FROM THE DIRECTOR



Despite the rather difficult global situation, the Indian economy was relatively insulated from the worst of odds during the year 2015-16. However, the micro, small, and medium enterprises in the country are undergoing difficult times especially because of structural factors, which naturally calls for reforms and remedial measures. At our Institute, under the various Knowledge Centres, initiatives have been taken to grapple with such issues, and to come out with solutions and suggestions. While these solutions and suggestions have to happen both at the macro and micro levels, within its limited capacities, the institute's attempts are spread out in terms of research, advisory services, and business development services. The Institute specialized knowledge platform, the ISED Small Enterprise Observatory also renders a unique job.

The major achievements of the Institute during the year relates to the several studies, as also some of the innovative policy recommendations and products. However, it is important that, at least a few of these initiatives are scaled up to a higher level, and that some of these activities are broadbased ensuring their mass reach. India MSME Communication Programme (IMCP), for that matter, renders a unique service in terms of sensitising the MSME stakeholders across the country. But more importantly, there is need for the development of products and services that directly go to the benefit of micro small and medium enterprises. It is this vital area, that the Institute hopes to focus on in the near future.

The achievements of the year have been brought out through the pages of this Annual Report. Besides providing complacence, this is also time for us to resolve on accelerated commitments and initiatives in the year ahead and beyond.

I wish to thank all our stakeholders and partners who have helped and made possible to shape the activity spectrum of the ISED to its present level. And this, of course, provides us courage to go ahead with better and more broad based strategies and activities in the coming years. This report is dedicated to the millions of entrepreneurs and their energies that make India what it is.

Best wishes

P.M. Mathew
Director

THEMATIC AREAS



The development priorities and concerns of the modern world are unique. Enterprises and entrepreneurial capabilities are the engines of economic growth today. How entrepreneurs are born and behave, what they contribute to the economy, and how public policy set the tone and tenor of enterprise growth, are crucial aspects of the 'sustainable development' debate today.

The Programme and activities of the Institute are tuned on the above lines; and are organised under its nine Knowledge Centres:

1. Centre for Enterprise Development
2. Centre for Social Development
3. Centre for Monitoring Enterprise Development in the States
4. Centre for Policy Studies
5. Centre for Responsible Business
6. Centre for Financial Education and Research
7. ISED Centre for Economic Research
8. New Economy and Local Edonomic Development Centre (NEWLED)



Research

Understanding the world of small enterprises is a challenging task. Hardcore research, is a must.



Business Development Services

Business in the modern world means not simply finance and technology. 'Real services' means business today.



Advisory Services & Policy Support

Knowledge need to get extended to the last man.
Public policy decides what he gets, and what not.



Development Communication

The process of development should not only be understood, it need to be communicated



ISED Small Enterprise Observatory

Data and Information, by themselves, cannot lead to good policy and programmes. Policy and action need to be strong evidence based.



Major Achievements

01

*2 Discussion Papers
Widely Circulated to a mailing list of 5000 Persons*

02

*9 Policy Briefs
Research findings and leads widely distributed among various
Ministries, Promotional Agencies and Policy Makers*

03

*2 Major Research Projects
Belonging to key areas of MSME Policy & Practice*

04

*Global Research in Policy
In progress: Research on global SME Policies with
special focus on India & UK*

Business Development Services



Overview

Business Development Services (BDS) are a critical link between knowledge base and practice of enterprise development. This integrated concept includes a wide variety of non-financial services, such as entrepreneurship training and mentoring, business up-scaling packages, revival packages, shaping of local economic development strategies, labour and management training, development of marketing strategies counselling, Institution Development, strengthening and shaping policy interface etc.



Key Projects

Start-up Support & Services Umbrella Projects Manual on Entrepreneurship Development & Start-up

International Exchange Studies on Economic Governance Public Policy Background Papers

Major Achievements



01 *CDB Institutional Project*



02 *Entrepreneurship Clinics*

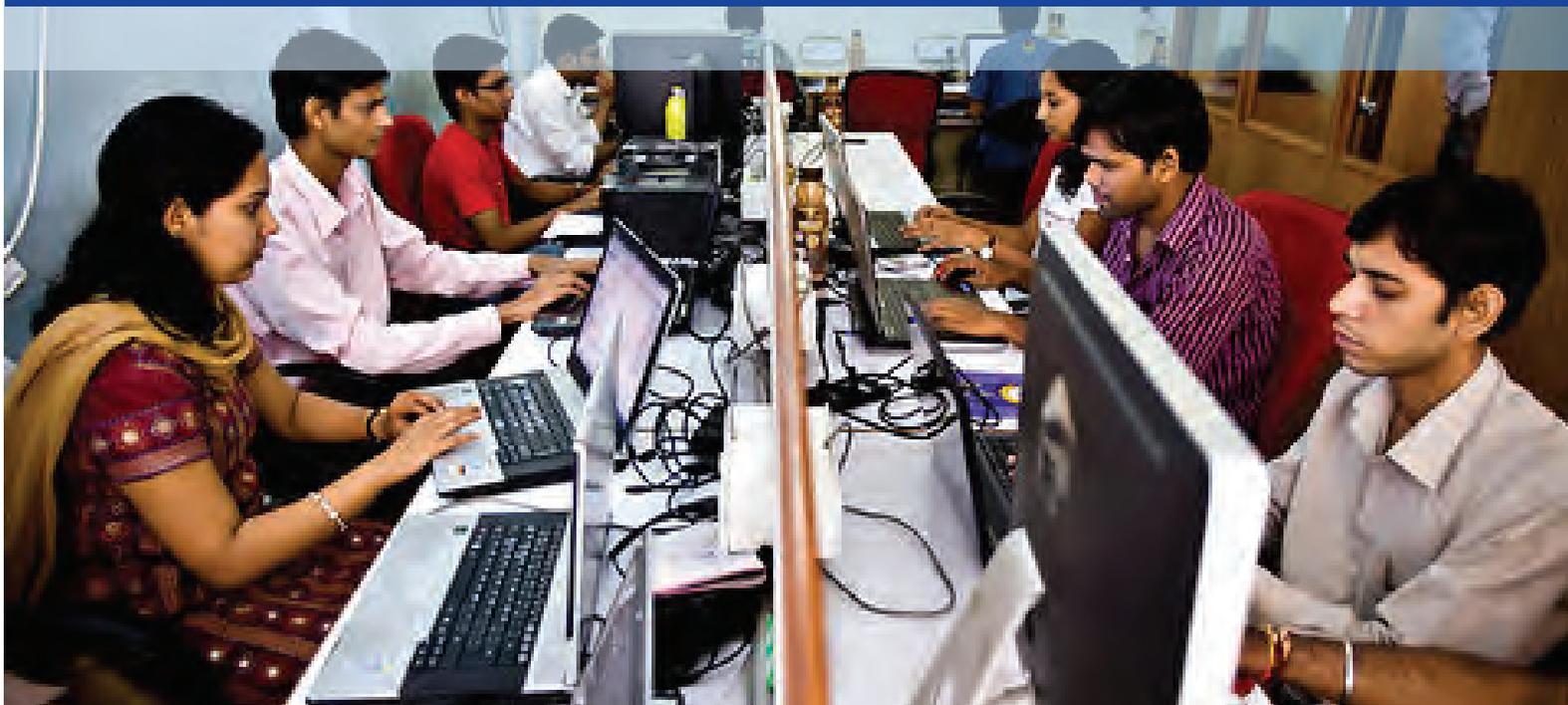


03 *Motivational Program for students*



04 *A major project on new business development services methodologies initiated. Documentation on BDS institutions and their role done.*

Advisory Services & Policy Support



Overview

The advisory services of the Institute cover a spectrum of clientele and forms. Such clientele includes, Ministries and Departments of the Union, State, and local governments, international organisations, enterprise promotion agencies, financial institutions, community organisations, and Business Associations and Chambers.



Key Projects

Support Services to Ministries of the Union Government

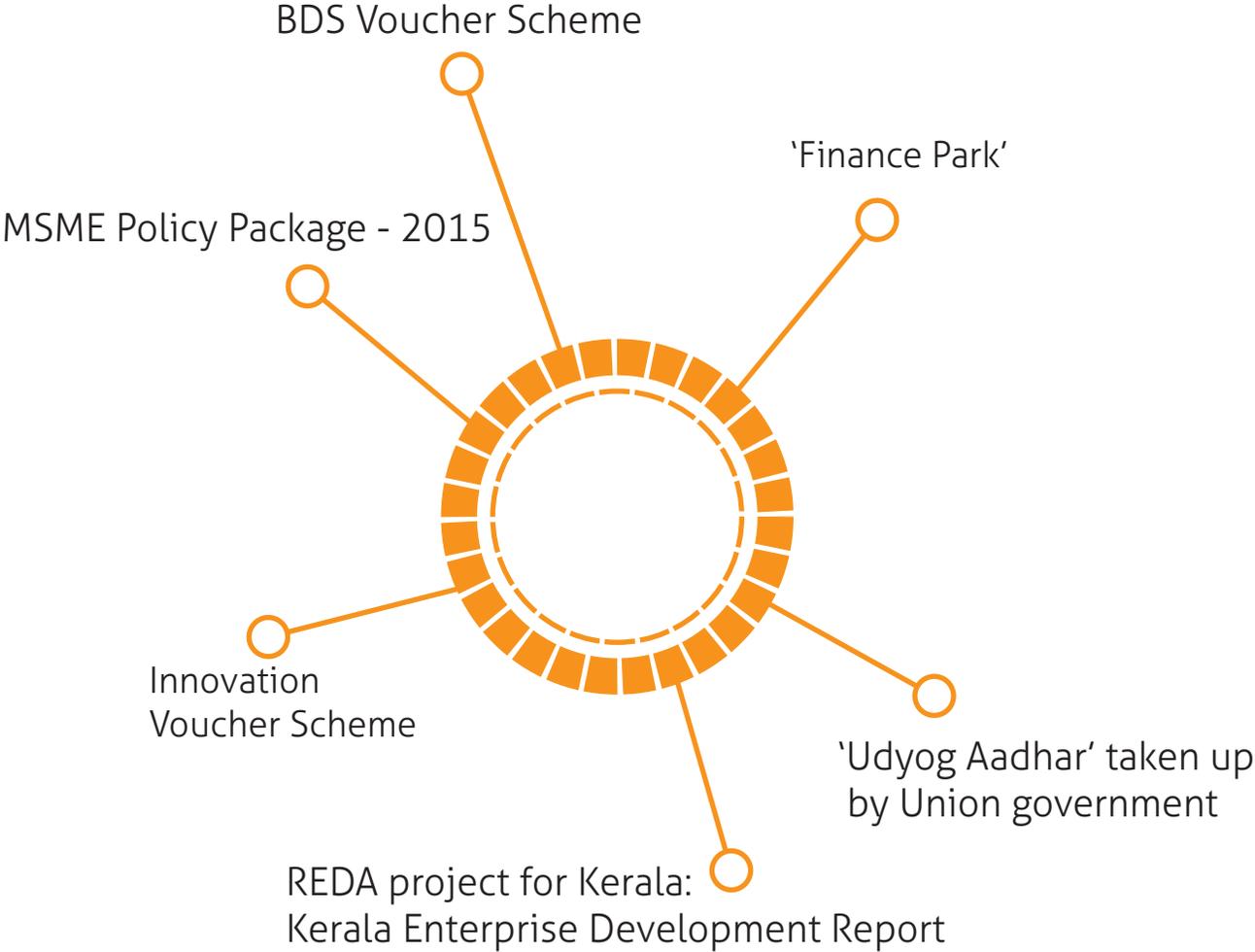
Support Services to the State Governments

NGO Sensitisation Programme

Support Services to the Local Governments

Gender & Enterprise Advisory Services

Major Achievements

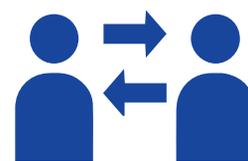


Development Communication



Overview

'Development Communication', at the ISED, essentially comprises of: a group of programmes and institutional platforms within the Institute, that helps it to take forward its mandate and agenda. India MSME Communication Programme (IMCP) is a national programme for communicating the concerns of the small enterprise constituency



Key Projects

India MSME Darshan

India MSME Communication Programme

India MSME Report

Knowledge Outreach Programme

Major Achievements

01

*India MSME Darshan
Mass contact of
Five Lakh MSME Stakeholders*

02

*National Reporting on MSMEs,
with global implications*

03

Dialogue Mechanism on MSMEs

04

*Development of
Government-Private Sector Interface*

05

*ISED Knowledge, Skills, &
Entrepreneurship Mission*

ISED Small Enterprise Observatory



Overview

Knowledge is a detailed familiarity with something, acquired through education or experience. Its creation is a continuous process of experimentation, interactions, and popular beliefs. An Enterprise Development Institute creates knowledge in that specialized area, and naturally, has the need and relevant capabilities to manage it. An Enterprise Observatory is a knowledge management system, an arrangement for management of intangible assets of an organization, to create, represent and distribute it.

The term 'enterprise observatory' is a state-of-the-art concept. Experience elsewhere in the world shows varied results. Based on such experience, and to the specific experience and imperatives of India, Institute of Small enterprises and Development conceptualized and operationalized it in a unique style.



Key Projects

Major Data Sets on MSMEs and the economy

Inclusive Partnership

Subsector Studies

Enhanced Membership

Policy Briefs & Discussion Papers

Seminars & Discussions

Major Achievements

1

***The Observatory Mirror :
Reaching 10,000 People***

2

India MSME Report 2015

3

Discussion Groups

4

Seminars

5

Public Lectures

6

Gender & Enterprise Observatory

7

REDA Projects

Partnerships

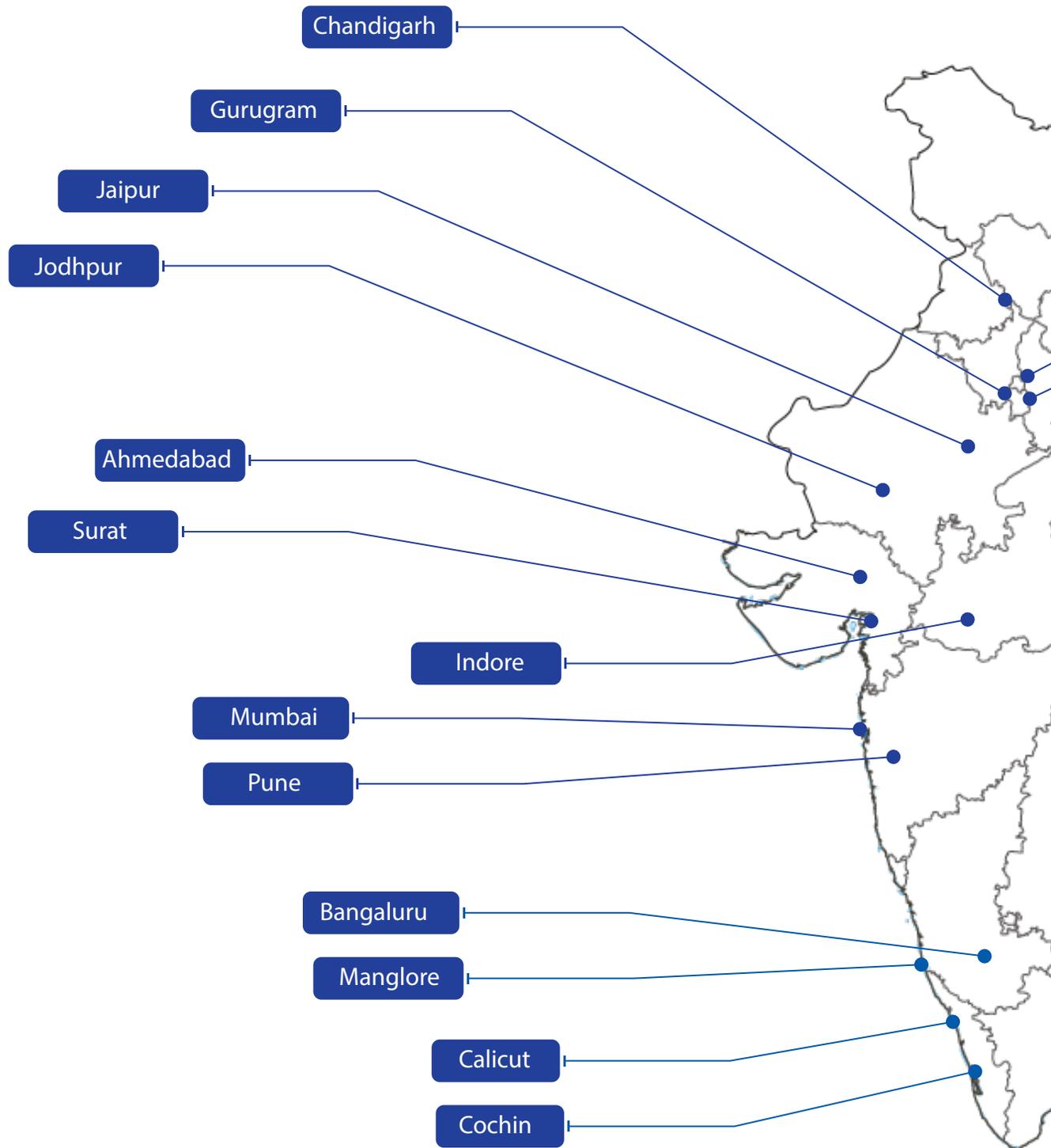
Our Partners

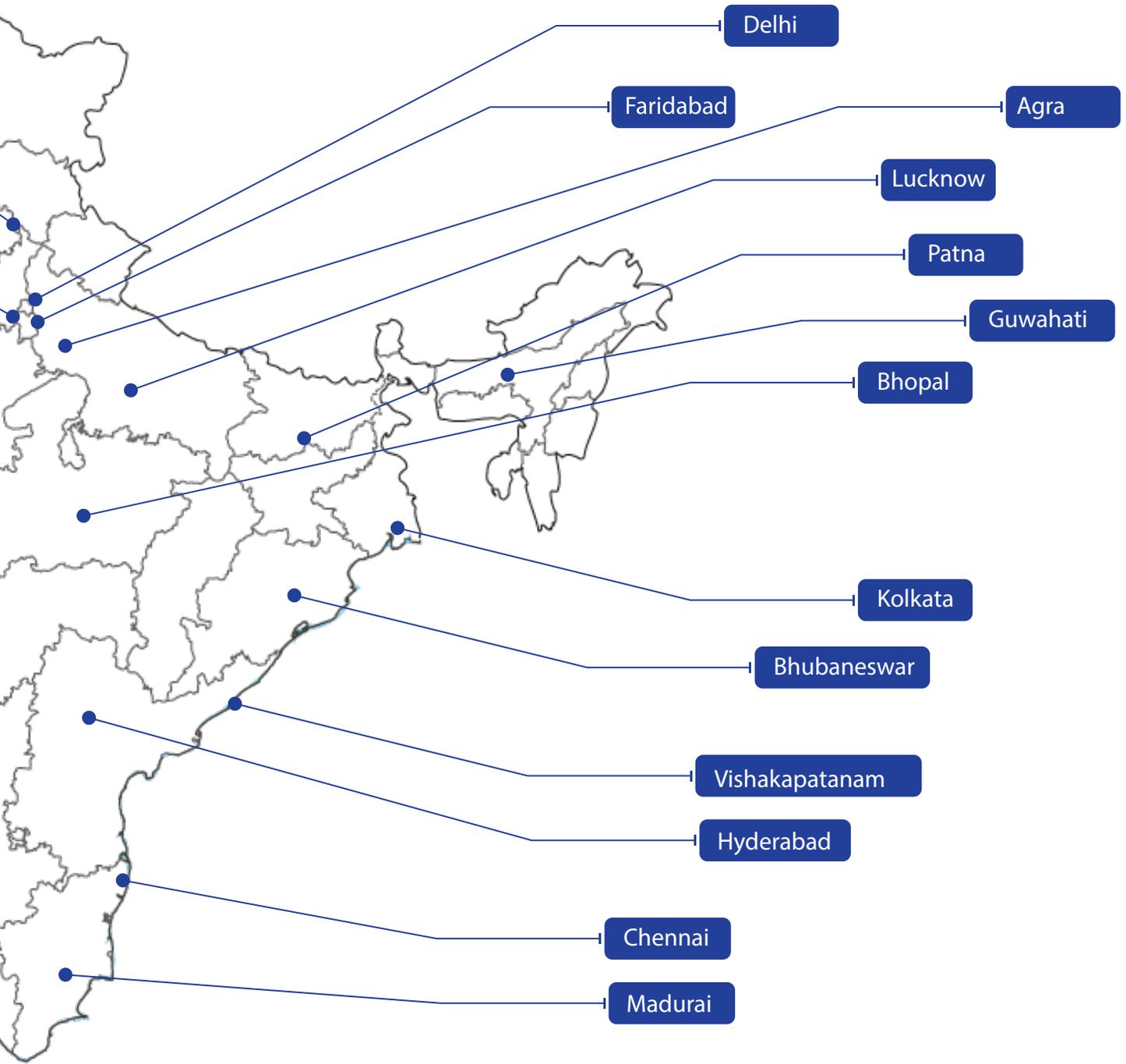
- * Commercial Banks.
- * Development Banks.
- * State Governments
- * Government of India
- * UN gencies
- * Corporate Sector.
- * International Donors
- * Universities
- * Research Institutes
- * Public promotional agencies
- * Diplomatic Missions.
- * Local Governments
- * Policy Institutions/ NGOs
- * Multilateral Institutions
- * Industry Associations & Chambers
- * Media Institutions
- * Small and medium enterprises
- * Trade Promotion Organisations
- * Research Councilss

Publications & Documents

Gender and Enterprise in India: Key Issues in 2015	2015	ISED Policy Briefs
India Micro Small and Medium Enterprises Report - 2015	2015	Report
India: MSMEs under Co Operative Federalism	2015	ISED Policy Briefs
India: Start-ups, Skills, and Entrepreneurship	2015	ISED Policy Briefs
India's MSMEs in 2015: Lessons from the Sub sectors	2015	ISED Policy Briefs
India's MSMEs: Beyond 2015	2015	ISED Policy Briefs
Kerala Enterprise Development Report 2016	2016	Report
MSMEs in India: Focal Themes in 2015	2015	ISED Policy Briefs
MSMEs: Public Policy and Policy Institutions	2015	ISED Discussion Paper
MSMEs: The Growth and Transition Agenda	2015	ISED Policy Briefs
Rural MSME Scene in India: Towards Structural changes	2015	ISED Policy Briefs
Small and Medium Enterprises: The Global Story 2015	2015	MSME Mirror
The Story of MSME Finance 2015	2015	Report
Rural Services Sector in India: Structural Changes and Implications for Policy	2016	Report
Institutional Finance for Women Enterprise Development: Issues and Policies	2016	Report
MSME Definition in India: The Present State and the Imperatives	2015	Report

India MSME Communication Programme





Way Forward

The Institute of Small Enterprises and Development and its history have been transformational. During the year under report, the organisation has taken several steps to broad base its activities, and to bring in new elements that can ensure and enlarge its reach within the MSME constituency and beyond.

The Institute has enhanced its capabilities to address the so-called **invisibility syndrome** that shrouds the MSME constituency. On the other hand, several attempts were taken to disseminate such message beyond its traditional circles. More specifically, the ISED Small Enterprise Observatory has been trying to consolidate its position as a unique knowledge hub, and to outreach its message through the Observatory Mirror, that reaches thousands of stakeholders within India and abroad.

ISED is focused on becoming an impactful organisation by repositioning itself as part of a large network that strives to find solutions to the pressing problems of the economy through micro small and medium enterprises. There are, obviously, areas of conflicts and stalemate, where the track record and the feel that we get from the field have helped to explore and to arrive at solutions.

The attempts of the ISED during the coming years would be to consolidate its position as a knowledge organisation, while at the same time, striving to take forward such a strength to be of help to the day to day problems faced by the entrepreneurs.

In the coming years, ISED will work to further increase its reach and impact, and to deepen efforts in becoming an organisation that builds on its learnings, and shares them to the benefit of the society at large. ISED will also focus on collecting ground level evidences and identifying models from its work through its various activities and Knowledge Centres





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