Strengthening Business Membership Organisations and Promoting Industry-Academia Linkages

Policy Recommendations to the Government of Maharashtra









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### Address

T +49 61 96 79-0 F +49 61 96 79-11 15

## E info@giz.de

l <u>www.giz.de</u>

### Project:

Programme for Modernisation and Innovation Promotion in Micro, Small and Medium-sized Enterprises in India (MSME INNO)

### Responsible:

Chaman Lal Dhanda Head of Project Programme for Modernisation and Innovation Promotion in Micro Small and Medium-sized Enterprises in India (MSME INNO), GIZ India

### Author:

Charvi Mehta, GIZ Usha Maheshwari, BCCI

Editor: Victoria Hohenhausen, GIZ

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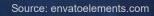
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## Foreword

Micro-, Small- and Medium-sized Enterprises (MSMEs) and start-ups, vital components of the economy of India, are faced with grave challenges due to the COVID-19 pandemic. Despite being an existential threat, the crisis also comes with opportunities for the country. Business Membership Organisations (BMOs), and academia can play a critical role in supporting start-ups and MSMEs to tap into business opportunities through innovative products, processes and solutions.

Despite various government interventions, BMOs and industry-academia linkages continue to be impacted by challenges of formalisation, lack of access to knowledge, timely and adequate finance, latest technology and marketing. Skilled work required for improving MSME competitiveness is likewise scarcely available. The BMOs are yet to benefit from the advances in digitisation, which could substantially improve the MSME sector of Maharashtra.

With movements like Digital India and Startup India, entrepreneurship has progressed significantly in the last few years, but creating a nurturing environment for the next growth stage is a task yet to be accomplished. In this backdrop, the Programme for Modernisation and Innovation Promotion in MSMEs in India (MSME INNO), GIZ, and the Bombay Chambers of Commerce and Industry organised a policy dialogue in partnership with the Maharashtra Directorate of Technical Education, the Maharashtra Economic Development Council and the MSME Development Institute to understand and gather stakeholder recommendations on the evolving entrepreneurship landscape in the state. This initiative has helped to acknowledge onground issues in order to find practical solutions that can be implemented by the state government.

In total, five discussions were conducted with diverse stakeholders. Representatives from national and local BMOs, academia, educational institutions, industries as well as the state and central government attended the discussions.

This report is a compilation of the recommendations gathered during these discussions. It will serve as a ready reckoner for the new policies for the improvement of the MSME sector of Maharashtra.

We hope that the Government of Maharashtra and other stakeholders will find the recommendations useful.



### Mr. Chaman Lal Dhanda

Project Director, Programme for Modernisation and Innovation Promotion in MSMEs in India, GIZ India

## Foreword

We are pleased to share this report on policy recommendations for MSMEs. This publication highlights the strategic importance of the MSME sector in the current COVID-19 pandemic, brings out the imminent challenges for the BMOs operating in Maharashtra, and shows the way forward to help the MSME sector achieve their full potential in order to be a growth engine for the state's economy by end of the decade.

The MSME agenda is one of the focus areas of the Bombay Chamber of Commerce and Industry. As a result, we intend to bolster policies for the improvement of Maharashtra's BMOs.

This document offers policy recommendations to strengthen BMOs and presents insights on industry-academia linkages in Maharashtra.

After extensive deliberations during the policy discussions, stakeholders identified the following key constraints to the growth of BMOs in Maharashtra: non-availability of adequate and timely credit, technological obsolescence, access to markets and need for skilled human resources and infrastructural bottlenecks. Bombay Chamber would like to thank GIZ, the other partners and speakers who participated keenly in the policy discussions. A very special thanks to Dr. Anil Kakodkar for his esteemed presence. Many thanks to Dr. Charvi Mehta, Mr. Tasvvar Ali, and Mr. Sarabjot Singh Saini from GIZ for the dynamic organisation of the policy discussions. These sessions have helped bring much needed light on issues being faced by the BMOs and MSMEs of Maharashtra.

We anxiously look forward to the inclusion of these recommendations in the new MSME policy of Maharashtra.



## Mr. Sudhir Kapadia

President, Bombay Chamber of Commerce and Industry, Partner and National Tax Leader, Ernst & Young LLP

## Message from Dr. Anil Kakodkar

India is one of the world's fastest-growing economies, boasting the sixth largest GDP and a vibrant business landscape. At the centre of this landscape are Micro-, Small-, and Medium-sized Enterprises (MSMEs). Between 55 and 60 million MSMEs are operating in India today.

Collectively, MSMEs are the second largest employer after agriculture. Over the last decade, they have contributed roughly one-third of India's Gross Domestic Product (GDP).

While impressive, the MSME contribution to India's GDP is nearly 10 per cent lower compared to the USA and 23 per cent lower than in China.

Going forward, there is potential for this sector to be an even more powerful growth engine for India's economy. I believe some of that growth is already fast on its way, thanks to a budding transformation through the government's flagship programs. However, a lot of ground remains uncovered, given the scale of the Indian MSME sector.

In this, BMOs have an important role to play. They not only provide support to MSMEs but also serve as eyes and ears of India's MSME sector.

GIZ, Bombay Chamber and other partners started these policy discussions to identify the requirements for boosting

BMO operations in Maharashtra. They have also done a commendable job of highlighting industry - academia linkages in the state. As per my experience, this is key to a sustainable MSME growth not only in Maharashtra but also all over India.

I congratulate the stakeholders engaged in creating this set of recommendations for the Government of Maharashtra. If these are implemented across the state, they have the potential to truly revolutionise BMOs and MSMEs.



## Dr. Anil Kakodkar

Chairman, Rajiv Gandhi Institute of Engineering and Medical Sciences

## 1. Introduction

## Entrepreneurship in India and Maharashtra

India's entrepreneurship ecosystem has undergone a significant shift over the past decade. At present, India has an estimated 63.38 million unincorporated non-agricultural MSMEs. If agricultural MSMEs are included, this number is even higher. MSMEs represent 90 per cent of India's industrial units and contribute to 45 per cent of the total industrial value addition. MSMEs also contributed to almost half the country's exports – 48.1 per cent, worth INR 11.1 lakh crore (USD 147.4 billion) – in 2018-19<sup>1</sup>. India has also maintained its rank as the third largest start-up base in the world with 9,300 technology startups and added 1,300 new start-ups in 2019 (NASSCOM, 2019)<sup>2</sup>, indicating that 2-3 startups are founded every day. The country also saw a total of 26 unicorns till January 1, 2020<sup>3</sup>.

Similar trends exist in Maharashtra. Here, MSMEs account for more than 80 per cent of the total employment, according to the state government's latest industrial policy. About 40 per cent of the exports originate from MSMEs. Maharashtra also recorded 4,443 Department for Promotion of Industry and Internal Trade (DPIIT) registered start-ups and 52,847 jobs in December 2019; highest among all the states in India.<sup>4</sup>

## Introduction to Business Member Organisations (BMOs)

In India, Business Membership Organisations (BMOs) have been operating for more than 100 years in various forms. At present, Indian entrepreneurs have access to many BMOs of international and national repute; some of which are sectorspecific.

Generally speaking, BMOs are responsible for two key functions. First, they create clusters of MSME units to represent them in policy platforms. They also approach the government on various levels in order to bring about positive policy changes for the sector. Secondly, they organise or facilitate a range of need-based services to their MSME members. Among these are business plan development, market information, accounting, and other strategic services. They conduct workshops, seminars and trainings. BMOs usually charge a fee for these services, for which enterprises

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Highlights of the MSME sector in India<sup>7</sup>

Uincorporated non-agricultural SMEs

MSMEs registered as micro enterprises

MSMEs registered as proprietary

63.38 Million 99 % 95.98

## (2) Highlights of the MSME sector in Maharashtra<sup>8</sup>

Employment generated by MSMEs in Maharashtra

Exports of Maharashtra generated through MSMEs

are willing to pay, as such quality services are not easily available. The benefits of being associated with a BMO also motivate them to take annual memberships. At times, the government also involves BMOs in implementing public schemes aimed at the promotion and development of the MSME sector.

An evolved role of BMOs for MSMEs comes with the following advantages:

- Sharing valuable industry insights: They bring the outsider but expert viewpoint that can shed a new light on how businesses could be run more efficiently.
- Showing the right way-forward and being a personal guide: BMOs answer the most important question that plagues MSMEs; how to grow. While it is easy to devise strategies, most business owners struggle with the execution.
- Opening doors to new opportunities: BMOs can help business owners by connecting them to their network and experts to open new avenues of growth.

## Industry-Academia Linkages

According to a 2019 study, University-Industry-academia linkages, conducted by the PHD Chamber of Commerce and Industry and the Department of Science and Technology (DST), Government of India, India is still in its initial phase of forming strong industry-academia linkages because a lacking clear policy framework. In the study, various initiatives on strengthening these linkages in the country saw positive results. But these remain sporadic. India's percentage in global researchers is at about 2 per cent compared to 20 per cent in the USA and China.5

As reported by the study, Maharashtra ranked fourth in industry-academia linkages. The state scored particularly high in availability of universities, industry interaction with universities, support in providing quality solutions, and interaction with students.

Maharashtra also occupies the first position in the number of patents registered from 2014-15 and 2015-16 with 3,654 and 3,193 patents respectively.<sup>6</sup>

The study also recommended for the state to focus on creating and strengthening its research and academic institutes and centres of excellence for specific sectors like oil and gas, auto components, sea food, food processing, rubber, plastics and floriculture.

To summarise, Industry-academia linkages are essential for advancement and innovation. This association is important to secure industrial relevance in academic research. Also, the industry often looks towards contributors for boosting innovation and competitiveness.

## Why these recommendations?

The year 2020 will be remembered for the COVID-19 pandemic. Across the world, GDP growth has plummeted. Presently, the world faces a deep recession which will continue to hamper growth in the near future.

The announcement of a country-wide lockdown dragged MSME owners, employers and external stakeholders. It came along with a negative impact on the supply of finished goods, the procurement of raw material and the availability of employees to work in production and supply processes.

Amidst these dismal circumstances, MSMEs require support from various stakeholders, including BMOs and academia. This might be an opportunity for the state to prepare policies for an evolved role of BMOs and industry-academia collaborations.

In this report, the GIZ Programme for Modernisation and Innovation Promotion in MSMEs in India, in partnership with the Bombay Chamber of Commerce and Industry, provides policy recommendations relevant for the present scenario. These recommendations have been gathered during detailed discussions with sectoral experts and stakeholders of Maharashtra's MSME ecosystem.



2. Discussion The GIZ Programme for Modernisation and Innovation Promotion in MSMEs in India and the Bombay Chamber of Commerce and Industry jointly organised policy discussions to better understand the changing entrepreneurship landscape in the state and to gather recommendations from the stakeholders for the state government. This initiative was organised in partnership with the Maharashtra Directorate of Technical Education and the Maharashtra Economic Development Council and MSME Development Institute.

The focus of the discussion was on strengthening BMOs and promoting industry-academia partnerships in the state. The participants were representatives of national and local BMOs, academia, educational institutions, industry, state and central governments.

These five sessions were conducted on 8th and 9th October 2020.

## **Objectives : Day 1**

Main objectives of the discussions were

- to understand the role of BMOs during COVID-19
- to share recognised methodologies for the capacity building of BMOs
- to understand how BMOs and the government support each other to enable MSME growth.

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## Day 1 Session Details

## **Discussion 1**

BMOs during and post COVID-19 - challenges, opportunities, changing role, and support



## **Discussion 2**

Association of India (ACMAI)

Existing and new government initiatives to support and strengthen BMOs. How can BMOs and governments support each other to enable MSME growth?

Participants:



Bhagwan Chandnani



Founder and Director, Marathwada Accelerator for Growth and Incubation Council (MAGIC)

Ashish Garde

Agriculture (MCCIA)



A. R. Gokhe



Indraieet Bhattacharya



P.G. Rathod

Suprintending Industries Officer, MSME, Directorate of Industries

Vice President, Chamber of Small Industry Associations (COSIA)

Management Studies (NMIMS)

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MSME Development

Director, NABET, QCI

## **Discussion 3**

## 3 **Day 1 Session Details (continued)**

Best practices and experiences: success stories and challenges/recommendations

Participants:

President, MASSIA,

Aurangabad



General secretary,

Nashik Industrie

Manufacturers Association (NIMA)





oint Director, Bombay Chamber of Commerce & Industry

Chairman - MSME -Maharashtra Economi Development Council (MEDC)

## **Objectives: Day 2**

On this day, discussions were centred around promoting industry-academia linkages in Maharashtra. The major objectives of the two sessions were:

innovation promotion at a large scale

underlining the need for industry-academia engagement for

- discussion: how can the government institutionalise industry and academia?
- showcasing best practices.

## **(4**) **Day 2 Session Details**

## **Keynote Session**



Industry need and trends in research

Dr. Anil Kakodkar Chairman, Rajiv Gandhi Institute of Engineering and Medical Sciences Ex - Director, Bhabha Atomic Research Center, Ex - Chairman, Atomic Energy Commission Ex- Secretary, Department of Atomic Energy, Government of India

In his keynote address, Dr. Kakodkar pointed out the role of updated technology in MSMEs in order to remain competitive. Underlining the need of complementary partners to bring innovative solutions to the ecosystem, he also cited an example of successful industry-academia cooperation. Recently, at the Rajiv Gandhi Engineering and Medical Institute, MSMEs developed low cost ventilators for COVID-19 treatment in a record time of just 3 months.

## **Discussion 1**

Industry need and trends in research

Participants:



Associate Professor, NMIMS



Joint Director, Bombay Chamber of Commerce and

Industry



Wagh

Director,

Directorate of Technical Education,

Maharashtra



Director, NABET, QCI



Hanchanal

Aurangabad



Prof. Subhdip Mukherjee

President, MASSIA, Chairperson Economics Area School of Busin

## 4 **Day 2 Session Details (continued)**

## **Discussion 2**

Promoting and incentivising industry academia linkages for scale government schemes to encourage and establish industry-academia linkages in the state

Participants:











Bharat Agarwal



Satish Kajjer



Pravin Rane

Director-Maharashtra Institute of Technology (MIT) group of institutes

Assistant Innovation Director, Ministry of Human Resource Development (MHRD)'s Innovation Cell, All India Council for Technical Education (AICTE)

Director, Indian Society for Technical Education

Head, Regulations, Quality and Standards, Siemens Limited

Chairman, Vishwakarma Institute of Technology, Pune Associate Professor, NMIMS

Joint Director, Bombay Chamber of Commerce and Industry

Sharma

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Source: envatoelements.com

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## Recommendations

## Day 1

As mentioned above, three sessions were conducted on the first day. In detail, the evolution of BMOs during the COVID-19 pandemic, challenges faced by them, and the supporting role of the Government of Maharashtra were discussed.

Participants indicated that, due to the pandemic, BMOs are increasingly using digital solutions. Simple tools like social media are playing a crucial role in daily operations, proving that technology adoption for BMOs is unavoidable.

Some speakers further highlighted that the sector is facing challenges due to finance and supply chain disruption. In such a backdrop, BMOs will play a crucial role for the implementation of flagship government initiatives like Make in India and Atmanirbhar Bharat. Stakeholders from the government highlighted some of the existing schemes, like MAHAJOBS, cluster promotion programmes, and SIDBI initiatives. During the discussion, BMOs expressed a need for improved financial incentives for BMOs through various central and state policies.

The section below compiles the most important recommendations. The Government of Maharashtra may consider these recommendations for future policy interventions.

## **Recommendations to Strengthen BMOs**

## **Exclusive schemes for BMOs**

Presently, no government scheme exclusively targets BMOs. Most of the schemes are MSME sector specific. Dedicated schemes are needed to target and improve the existing BMOs in Maharashtra.

### Involvement of accredited BMOs in policy formulation

BMOs are a bridge between the government and entrepreneurs. Involving them in the policy making process will help create need-based schemes that address the challenges of BMOs and MSMEs.

## Involve BMOs in policy implementation

The outcomes of many schemes directed towards MSMEs get affected by limited outreach and efficiency. Presently,

BMOs play a limited role in scheme implementation in Maharashtra. Through policy interventions, this role can be gradually matured. The government can improve the scheme implementation by involving BMOs directly or indirectly. These have better access to the target group and are familiar with MSMEs' problems and needs. BMOs are also more flexible in decision making.

Therefore, to enhance outreach and efficacy of MSME support schemes, the government is encouraged to increasingly involve the industry and the BMOs in the implementation process. This will also help build their capacities.

## Awareness about existing schemes

Many BMOs are not aware of the existing schemes and therefore are not able to communicate the same to the entrepreneurs or take advantage of these schemes themselves. The state should educate BMOs about relevant schemes. This will also help generate awareness about government among the entrepreneurs.

## Pathways after BMO accreditation

Stakeholders commended the Government of India's initiative on BMO accreditation. The systematic effort aimed at recognising suitable BMOs has helped increase transparency within the BMOs, built their reputation, and increased confidence among the stakeholders.

As a way forward, the government can create pathways for benefiting accredited BMOs as their credibility has been established. The state government may:

- make accredited BMO eligible for government grants and schemes
- facilitate financial support via national and international agencies
- provide opportunities for strategic linkages including
- financial and other benefits for member MSMEs
- facilitate access to new markets.

## Need for handholding support

Most BMOs don't have sufficient funds, exposure, or the network to advance their services to match national and global trends. Thus, they are often not able to provide sufficient support to MSMEs. The key areas that require handholding support are the following:

- Access to finance: A major challenge that BMOs face is access to organised finance. Mostly, they are self-sustainable and need to identify means to generate their own funds. The state government can provide funding support and involve the local BMOs in scheme implementations. It is recommended to create special credit facilities for BMOs.
- Infrastructure creation: Many BMOs struggle with inadequate infrastructure. The state may consider schemes on providing low-interest loans, incentives, or direct assistance for creating and upgrading infrastructure.

- Need for skilled labor: BMOs need skilled labor at all levels, including leadership and managerial roles. To address this, some of the innovative projects which could be considered are:
  - *Board on hire:* Hiring board members of famous organisations for a day to gain valuable insights
  - *Shadow the leader programme:* BMO members follow an industry leader for a stipulated period of time. This will give unprecedented exposure to BMO members on how industry leaders act and perform on a day-to-day basis.
  - *Virtual BMOs:* To extend the reach and cater to the increasing demand, virtual BMOs can be set up to provide digital courses. For the practical component, physical BMOs could be utilised.
  - *Scholarship to BMO employees:* Scholarship assistance to BMO employees interested in pursuing education programmes could be implemented.
  - *Exposure programs:* Visits/work opportunities at cross-cutting industries could be built in to provide insider information and on-the-job trainings to BMO employees.
  - Reskilling Programs: Many existing BMO members need to re-skill and upgrade their skill sets. Several problems faced by BMOs on a daily basis will be resolved if re-skilling programmes are offered for BMO members.
  - *Skill Certification*: Certification of existing skill sets will also help BMO members gain better leverage in the market.
- **Exposure to digital and social media:** As India is advancing towards digitisation, BMOs should also start using social media and digital solutions to reach out to new and existing beneficiaries for not only promoting their organisation but also providing services online. To educate BMOs on this, the government may organise digital trainings.

## Encourage MSME participation in government tenders via BMOs

The government may incentivise BMOs that actively encourage MSME participation in the government procurement process. This will increase the likelihood of MSMEs getting government tenders.

## **Technology adoption**

New industries and industrial practices are evolving rapidly with the changing industry trends. Artificial Intelligence (AI), Industry 4.0, lean manufacturing and digitisation are the focus areas of the future. The state government needs to develop visionary policies to match the changing trends and support the industries. This is vital for the sector to remain competitive in the long run. An example of such an initiative by the central government is the Smart Advanced Manufacturing and Rapid Transformation Hub (SAMARTH-Udyog Bharat 4.0). This initiative was launched by the Department of Heavy Industry, Government of India, to raise awareness about Industry 4.0 among the manufacturing industry through demonstration centers.

## **Capacity building of BMOs**

Many BMOs claim that they have benefited from partnerships with corporates, foundations, and multilateral organisations like GIZ. The state may partner with such organisations to build the capacity of BMOs. This will help BMOs to sustainably.

## Implementation of existing schemes

The stakeholders find the state government's existing schemes for the promotion and development of MSMEs to be welldrafted. The impact of the schemes can increase significantly if the government further streamlines the scheme implementation and monitors it closely. The government may also consider merging similar schemes.

## Day 2

The two sessions conducted on the second day highlighted the existing status of industry-academia linkages, and the role the Government of Maharashtra can assume to boost them.

Participants indicated there is a huge gap between the skills of professionals graduating from academic institutions in contrast to industry demands. Some stakeholders also suggested a need to boost Corporate Social Responsibility (CSR) funds for MSME R&D. Presently, there are limited innovations which percolate down to the last mile of MSMEs.

Large companies are creating business models around innovations and smart services. MSMEs need to work on similar models to remain competitive. Academic institutions also indicated that the partnership with GIZ has helped them gain exposure to international best practices. In order for them to adapt to international best practices, further cooperation with international organisations is required.

The difficulties in bringing industry and academia together were likewise highlighted. Government intervention in this area is much needed.

The following section compiles recommendations for industryacademia linkages in Maharashtra. The Government of Maharashtra may consider these recommendations for future policy interventions.

## Recommendations to Promote Industry-Academia Linkage

## **Requirement of government intervention**

The government needs to create a formal mechanism for promoting industry-academia partnerships. Collaboration between industry and academia is increasingly becoming a critical component of efficient national innovation systems. Itis essential for skills development, innovation, technology transfer and entrepreneurship promotion.

Emergent nations face even greater challenges to create and maintain such alliances.

The state government can play a key role in fostering such linkages by creating systems for facilitating and maintaining interactions between industry and academia. The state may also incentivise both for such collaborations.

## Ranking colleges on industry linkages

Industry-academia linkages should also be included as a parameter for ranking colleges in the country. This will encourage academia to adopt measures for industry-academia linkages.

## Dynamic knowledge transfer

A large disparity exists between the prevalent technology standards at the global level and the standards being followed by many local academic institutes and MSMEs; especially in the fields of machine learning and AI. New and modern standards need to be adopted to boost the competitiveness of the state's academia and MSME sector. Thus, academia requires vital inputs from the industry to evolve infrastructure, course design and training delivery.

Large and small corporations should also take the support of academic and research institutes in finding solutions to their problems. The students of academic institutes should work as apprentices in the entire range of corporations irrespective of their scale. Also, faculties should work in industries as a part of their teaching career. This will help them stay abreast of the latest industry trends and create a win-win situation for all stakeholders involved.

## Using CSR money for R&D

The stakeholders agreed on recommending to use CSR money for MSME sector R&D. In return, academia needs to produce usable technology for the sector.

Policies to facilitate and promote such engagements will help ease out the financial constraints faced by research and academic institutes. Further, corporates can work with these institutes on commercialising innovations.

## Autonomy to provide credits based on industry work done by students

Live projects, on-the-job-training, and other platforms where students engage with industries should be duly acknowledged. The government can create a broad credit framework to incentivise the students. Within the framework, academic institutions should have the autonomy to provide credits based on the work done by students in the industry. These credits can then be used to complete the requirements for a university course or degree.

### Survey of MSME in Maharashtra

A MSME census has not been conducted since 2006. Without updated data and statistics, academicians and research institutions find it difficult to provide inputs for improving the MSME sector in Maharashtra. The state government may conduct a survey of MSME for the state. Future policies should be based on this data.

In the new census, data points related to import should also be included as getting import data is a challenge that limits the scope of studies conducted for the state's MSME sector.

Source: envatoelements.com

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## **About Partners**

## GIZ

For over 60 years, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been working with various government and other agencies in India to promote and nurture sustainable economic, ecological, and social development.

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has partnered with the Ministry of Micro, Small and Medium Enterprises (MoMSME), Government of India, to enable the development of an innovative ecosystem for the Indian MSME sector through the Programme for Modernisation and Innovation Promotion in MSMEs in India.

The project aims to achieve this through its four verticals:

(a) industry-academia collaboration

(b) strengthening Business Membership Organisations (BMOs)

(c) fostering the incubation of start-ups

(d) anchoring innovation in policy strategies.

## **Bombay Chamber of Commerce & Industry**

The Bombay Chamber of Commerce and Industry is the oldest operating chamber of commerce in India, serving Indian commercial organisations for the past 184 years. The Chamber has several thousand MSME members. The board of the chamber includes top professionals from most industry sectors. It is headquartered in Mumbai, the commercial capital of India, and home to many multinationals, banks, national corporations, financial institutions and MSMEs.

## Directorate of Technical Education, Government of Maharashtra

The Directorate of Technical Education works to enhance the quality of technical education institutions, programmes and systems towards achieving international standards. It also looks after the efficient and effective management of the technical education system, ensuring transparency and integrity. It has played a significant role in developing technical labor to meet the needs of the industry and to grow the national and state-level economy.

## Maharashtra Economic Development Council

The Maharashtra Economic Development Council was constituted by prominent chambers of commerce, business and industry associations to facilitate the rapid and balanced economic development of Macharashtra. The council acts as an economic think-tank for business and industry as well as for the Government of Maharashtra.

## **MSME** Development Institute, Mumbai

The office of the Development Commissioner (MSME), New Delhi, under the Ministry of MSME, formulates the policy governing MSMEs in the country to chalk out schemes and programmes for the development of the MSME sector. It also monitors the implementation of policies and activities for promoting and developing the sector through its network of 28 MSME Development Institutes in all the states, with active involvement of the state directorate of industries.

This institute provides support/services to the state government as well as co-ordinates various activities for the prospective and existing entrepreneurs at the state level for the promotion and development of small-scale industries.

23 districts of Maharashtra are under the jurisdiction of this institute and its branch in Aurangabad. Another institute in Nagpur looks after the remaining 11 districts of Maharashtra. MSME-DI, Mumbai, provides various types of extension services and assistance in setting up units, promoting and developing products and services for MSMEs. The institute has technical officers to provide guidance in all trades, namely metallurgy, mechanical, chemical, leather, electrical, electronics, food industry, management and economic investigation, export and industrial design.

## **Project Team**

## Programme for Modernisation and Innovation Promotion in MSMEs in India (GIZ)

- Mr. Chaman Lal Dhanda, Project Director
- Mr. Shankar Kumar, Technical Advisor, Incubation
- Mr. Tasvvar Ali, Technical Expert, Industry-Academia and State Implementation Maharashtra
- Mr. Sarabjot Saini, Technical Expert, Business Membership Organisation (BMO)
- Dr. Charvi Mehta, Technical Expert, Policy
- Mr. Gaurav Sharma, Technical Expert, State Implementation Punjab
- Ms. Victoria Hohenhausen, Junior Advisor, Communications and RBM

## **Bombay Chamber of Commerce and Industry**

- Mr. Sandeep Khosla, Director General
- Ms. Usha Maheshwari, Executive Director
- Ms. Aneeha Neerja Rajan, Assistant Manager
- Ms. Tarini Hattangadi, Chief Executive

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Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH B5/1, Safdarjung Enclave New Delhi, 110 029, India **T**: +91 11 4949 5353 I: www.giz.de I: https://twitter.com/MSME\_INNO



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