

Fostering Indian MSMEs through IT Initiatives -An Overview

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Abstract

The COVID-19 pandemic created havoc all over the world. India is no exception. After successfully negotiating the pandemic with multiple strategies like vaccinations, lockdown, catalysing large-scale behaviour change etc, time has now arrived to study the aftermath of its effects. Here a presentation is made of such an attempt, wherein infrastructure created prior to the pandemic came as a helping hand to negotiate it.

As a result of the COVID-19 pandemic, the global economy has been in disarray in recent years. The Indian government's response to the pandemic included a slew of safety nets aimed at mitigating the effects on vulnerable society and the business sector. Despite the unexpected pandemic, India's ongoing efforts to join the five trillion-dollar economy are commendable. In order to meet the lofty goal, the country's GDP increased during the pre-pandemic years. India's MSME sector is one of the most active, accounting for roughly 29 percent of the country's GDP and 49.6 percent of total exports. Any sector that is digitally enabled and addresses digital challenges can make a greater contribution to the economy.

However, when it comes to digital technology adoption, the sector has lagged behind. Though government enforcement through various schemes and programmes had paved the way for these firms to adopt digital technology, the sector's reluctance to adopt until the pandemic's arrival had rendered these firms globally uncompetitive. However, the earlier built eco-system that enabled digitalization has assisted the sector in surviving the pandemic. As a result, digitalization has proven to be an effective crisis mentor. Previous research has shown that during a pandemic, the government of India's digitalization initiatives assisted MSMEs in sustaining supply chain disruptions and experiencing increased sales revenues and profits.

This study attempts to explore the schemes of the government of India to enable the MSME sector to leverage the digital advantage.

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