

Widening Prospects of Small Enterprises Spectrum in Haryana: Comparative Study of MSMEs Across Major States in India

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Abstract

Haryana's depicts an increasing proportion of MSMEs sector contribution in Gross Domestic Product (GDP) which has reached 30-35% in total GDP of nation around INR 3 lakh crore in 2023. Total exports in the state accounts for 45-50% valued in between INR 90,000 crore to INR 100,000 crore in 2023. Haryana has been major exporters of various goods, including garments, leather products, auto components, and engineering goods. Significant growth had been witnessed by MSMEs over the past decade, being majorly driven by government initiatives and improved market access. Being major source of employment in Haryana, MSMEs are providing jobs to over 50 lakh people constituting 80% of the state's total workforce in the manufacturing sector offering employment opportunities across various skill levels, contributing to inclusive economic growth. Being the economic conditions showing signs of slight fluctuations through last decade, there had been stability in employment in this sector. Though due to having Sectoral uplifting scenario state lags back to the performance to other states who are majorly gaining a momentum in terms of growth and continuous development of the sector in their respective geographical realms in comparison to Haryana where there are many opportunities with availability of financial resources, sectoral diversification being leather, food processing, plastic, steel and guar gum near ability of NCR, great infrastructure, more promotional industrial base still comparative facts are needed to watch out the essentials of formers fast pace. Maharashtra, Tamil Nadu, Uttar Pradesh MSMEs had been the highest contributors in GSDP in their respective states and GDP of the country with relative higher digit indices. Policies has been made to foster Regional development across the state under which MSMEs are spread, to increase industrial growth in smaller towns and cities beyond major industrial hubs. Paper discusses the spectrum of small enterprises performance in Haryana in holistic way considering the comparative status of MSMEs in three major states of country to bringing up an evaluation that what is needed to be done in with reference to the projects & organisation laid by Maharashtra, Tamil Nadu and Haryana leading them to become the benchmark of performance and sign of synchronization of available all resources yielding increasing economic value in growth of sector.

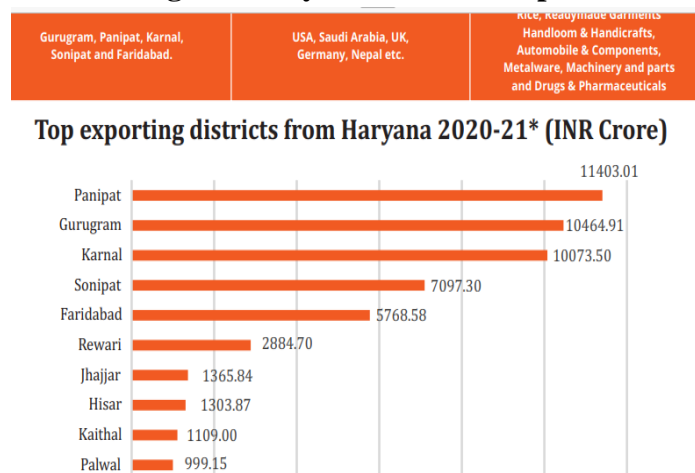
Keywords: MSMEs, GSDP, GDP, Haryana, Maharashtra, Tamil Nadu, Uttar Pradesh, Exports, Employment

I. Introduction

Haryana state has been the crucial part of north area region of country. With ample amount of resources financial, infrastructure, marketing accessibility it is growing at a stagnant rate majorly lacks in skill set though availability of labour at cheap rates ,Over a period of time concerns had been managed by owners themselves, but present hour calls with enthusiastic attitude and with ideas of innovation, better implementation of activities within given and extensive infrastructure ,zeal to adaptation, diversification, enhancing managerial abilities and focus on cost control. Micro, Small and Medium Enterprises (MSMEs) had been the engine of growth for the Indian economy, playing a pivotal role in job creation, regional development, and driving innovation. In slowly adaptive dynamic landscape, Haryana stands out as a prime example of a region fostering a thriving MSME ecosystem. In current scenario Haryana ranks is 7th in total merchandise export which have been greater than INR 90000 crores in 2020 and INR 95000 in 2021 with Haryana with a vision of 2x exports till 2025 with INR 2 lakh crores. Haryana is the 4th largest producer of cotton in the country, contributing 6% of India’s total production. Easy availability of raw material provides the state with competitive advantage in the textiles sector that employees around 1 million workers in the textile sector. Haryana’s contribution to national exports of Textile and Apparel is over 36% for carpets and other textile floor coverings, 18% for apparel and clothing (woven), 8% for apparel and clothing (knitted) and 9% for other made-up textile articles. More than 150 ginning units established in the western region of Haryana. Haryana follows a Cluster based approach to promote industries that has led to development of robust textiles centres in the state such as Panipat, Gurugram, Faridabad, Hisar and Sonipat. Panipat is known as the “City of Weavers” for its eminence in handloom products.

Source: Haryanaindustries.gov.in

Image :1 Haryana Districts Exports



This study delves into the so far progress made in terms of production, revenue, exports of each category of items widening prospects of small enterprises in Haryana, exploring the unique factors that have propelled its MSME sector forward. Here government initiatives will be examined, analyse the impact of industry clusters, and assess the effectiveness of skill development programs in shaping Haryana's entrepreneurial spirit. Though, this study has significance which extends beyond the borders of Haryana. Recognizing the interconnectedness of the economy there came with a comprehensive analysis of MSMEs across major states in India, juxtaposing Haryana's achievements with those of

leading counterparts. This comparative analysis allows for a more nuanced understanding of Haryana's position within the national MSME landscape. Haryana's unique position with relationship with the larger national picture, the paper aims to provide valuable insights for policymakers, entrepreneurs, and stakeholders invested in the future of Indian small businesses. Through a comprehensive analysis of Haryana's MSME ecosystem and a comparative study with other leading states, the research seeks to identify best practices, potential areas for collaboration interstate or anyway, and pave the way for a more robust and inclusive national MSME landscape that drives economic growth and empowers future generations of entrepreneurs. This comparative approach sheds light on: **Strengths and weaknesses:** How does Haryana's MSME ecosystem fare in comparison to other states or vice versa? **Learning from leaders:** What can be gleaned from successful MSME models in other Indian states? **Collaborative potential:** Are there avenues for inter-state collaboration to further strengthen the national MSME landscape? Below their is depiction of data ,visually illustrating the steady increase in MSME contribution to Haryana's GSDP over time.

Image:2 Gross State Domestic Product 2022-23

Gross State Domestic Product 2022-23 (Nominal)				
State	2022-23 BE (In Lakh Crore)	2022-23 BE (In USD Billion)	2023-24 AE (In Lakh Crore)	2023-24 AE (In USD Billion)
Maharashtra+	35.27	424.95	37.73	454.58
Gujarat	22.61	274.06	25.63	310.67
Karnataka	21.81	264.36	23.33	282.79
Uttar Pradesh	20.48	248.24	24.37	295.41
West Bengal	15.54	188.36	17.19	208.36
Rajasthan	14.08	170.67	15.71	190.42
Telangana	13.12	159.03	14.00	169.70
Kerala	10.16	123.15	11.30	136.97
Haryana	9.94	120.48	11.13	134.91

As it can be seen among the states Haryana had contributed INR 9.94 lakh crore in 2022-23 to Gross State Domestic Product which rose to INR 11.13 lakh crore in 2023-24 showing a steady increase in economic growth of the state. With comparison to it Maharashtra, Gujarat, Karnataka, Uttar Pradesh are being at higher position in the chart where Maharashtra GSDP has increased from INR 35.27 lakh crore in 2022-23 to INR 37.73 lakh crore in 2023-24. Uttar Pradesh had shown a tremendous growth in this state's economic growth index from INR 20.48 lakh crore in 2022-23 to INR 24.37 lakh crore in 2023-24. Though they are indices of overall sectoral growth including Micro Small and Medium Enterprises (MSMEs) where in overall GDP ,MSMEs of Maharashtra, Tamil Nadu, Uttar Pradesh had been the higher contributors. as well as in GSDP of their respective states. In this paper there has shown MSMEs economic growth an worth in different intervals and by percentage of contribution in respective economic indices GSDP and GDP from year 2015 to 2023 in all states with employment generated over a period of time and percentage of exports made by respective sectors say Textiles, Pharmaceuticals, Engineering Goods, Food Processing, Leather Goods, IT & Software Services, Gems and Jewellery etc. Further there has been done an analyse that where and how Haryana MSMEs despite of having pros lags behind the top notch positioned states , what measures they had taken for uplifting their industrial sector and how organized they had utilised their resources and infrastructure, policies they had made that can be a path driver for Haryana which it can follow along with the measures taken by Ministry of MSMEs Haryana for the state 's small industrial growth. Research papers comparing MSME policies across states could provide insights into potential policy-related shortcomings. By focusing on these areas for

improvement, Haryana can create a more conducive environment for MSMEs to flourish, contributing to a stronger state economy.

Research Methodology

For the analysis data has been taken from various departments of government, Ministry of Small Scale Industries websites of Haryana, Tamil Nadu, Maharashtra, Uttar Pradesh. Various annual reports had been went through from year 2014 to 2023. For exports data reports and various websites had been gone through especially related with various sectors as Food Processing Industries managing authorities, Textiles & Apparels, Gems & Jewellery sector, Dyeing industry etc. data has been taken,. Along with the inculcation of workforce employed in every area has been taken from concerned sector reports. The policy and initiatives taken by Government of Haryana had been studies and analysed that what came out with what results in terms of economic growth of state and reasons being found out by data taken and studied from Tamil Nadu, Maharashtra, Uttar Pradesh to see the differences in Infrasture at geographical realms, socio economic scenarios etc. and found out the measures as lessons needed to be learned by least performing states in order to bring themselves economically being in streamline.

Literature Review

(Singh et al., 2019) emphasise on MSMEs emerging as a significant driver of industrial development and economic growth which has fostered entrepreneurship and diversified the industrial landscape. Analysing the factors contributing to the success of MSMEs in Haryana, including supportive government policies, skilled workforce, and strong industrial infrastructure show its performance statistics but also highlights the challenges faced by MSMEs, being access to finance, technological advancements, and competition from larger firms.(Sharma et al., 2020) considers Investigation of the impact of financing constraints on the growth of MSMEs where formal credit sources like banks, still many often rely on informal sources like moneylenders at higher interest rates, hindering their investment and expansion potential. Recommendations had been laid by intervening policies to improve access to finance for MSMEs, such as credit guarantee schemes, simplified loan application procedures, and promoting alternative financing models like venture capital and angel investment.(Kumar et al. 2021) Author's take is on relationship between technological upgradation and productivity growth in MSMEs operating in the textile industry of Haryana. (Verma et al.,2022) The paper suggests measures to promote women entrepreneurship phenomenon entrepreneurship in the MSME sector of Haryana being access to microfinance schemes, and growing awareness about entrepreneurial opportunities, including skill development programs, mentorship initiatives, and creating a supportive ecosystem for women-led businesses.(Kumar et al., 2021) Emphasising the significant contribution of MSMEs to Haryana's GDP 30% and exports being 45%. It explores factors like supportive policies, skilled workforce, and strong industrial infrastructure driving their success. (Subramanian et al., 2023)There has been rising share of MSMEs in Haryana's GDP over 35% as of 2022 and their increasing contribution to exports reaching nearly 50% where auto components, textiles, and pharmaceuticals are as major contributors. Federation of Indian Chambers of Commerce and Industry (FICCI) showcases the sector-specific data, that garments, leather, and engineering goods form a significant portion of MSME exports emphasizes the critical role of MSMEs in Haryana's GDP growth and export performance. (Singh et al., 2017) Highlights the pivotal role of MSMEs in boosting Haryana's economic growth, contributing significantly to employment and GDP. Despite the substantial

impact of government boost ups, initiative policies related to finance bring up with challenges like technological lag and market competition where there is immense need to sustain. (Sharma et al., 2020) Examines the dynamic role of MSMEs in Gurugram's economy, highlighting significant growth potential driven by technological adoption and market expansion and hindrances in between. The authors suggested measures to leverage opportunities and overcome obstacles. (Ramanathan et al., 2014) Underscores the substantial contribution of MSMEs to the state's manufacturing growth that emphasizes their role in employment generation and regional development. Factors such as innovation, adaptability, and government support are highlights further calling for strategic interventions to enhance the competitiveness and sustainability of MSMEs in Tamil Nadu's manufacturing sector. (Verma and Singh, 2020) explores how the ODOP scheme has revitalized MSMEs by promoting unique products specific to each district resulted success in boosting local economies, enhancing product quality, and increasing market reach. (Ramesh M. et al., 2017) Delves into the critical role of financing in the growth of MSMEs, highlighting the barriers these enterprises face in accessing formal credit. It identifies reliance on informal lending and the high cost of borrowing as significant impediments. The authors advocate for enhanced financial support mechanisms, including streamlined loan processes and alternative financing options, to empower MSMEs and drive economic development in Tamil Nadu. (Karthikeyan et al., 2014) Examines the positive effects of government initiatives on MSMEs, highlighting improved productivity and growth in the textile sector. Despite of having several drivers of development the study points out persistent challenges like bureaucratic delays and inadequate awareness among entrepreneurs. The authors suggest enhancing scheme implementation and outreach for sustained sectoral development. (Nalawade, 2012) analyzes the financial health of MSMEs, identifying key factors contributing to their profitability and sustainability. It highlights the role of effective financial management, access to credit, and market conditions in driving performance. The study also addresses challenges such as high operational costs and limited financial literacy that calls for targeted financial policies and support systems to enhance the economic viability of MSMEs in Maharashtra. (Desai et al., 2015) explores how government initiatives in Maharashtra brought out greater outcomes by delving into the effectiveness of these policies and schemes in supporting MSME growth and development. (Jadhav et al., 2014) comprehensively study explores the hurdles MSMEs encounter in Pune District, Maharashtra, such as financial constraints, infrastructural deficiencies, market competitiveness issues, and regulatory challenges. Also qualitative insights have been provided the impact of factors collectively on MSMEs operations and growth prospects in the region. (Audrestch et al., 2017) find that states with robust MSME policies, including financial support and infrastructure, exhibit superior MSME growth and productivity symbolizing employment being implementation of better training programs exhibit employment growth rates of 8-10% in this sector compared to 3-5% in other states and GDP contribution up to 40% as of in top notch states Maharashtra and Tamil Nadu compared to those with weaker policies having 20-25% GDP. (Singh et al., 2016) the authors highlight the critical role of MSMEs in creating jobs in Uttar Pradesh contribute significantly to facilitated this growth though major challenges are adequate infrastructure and access to finance. (Singh et al., 2014) shows research focusing on specific sectors being food processing, textiles, leather in different states and much depth analysis is needed from all respective kind of I industries in whole spectrum. (Kathiresan et al., 2013) study highlights the unique strengths and areas for improvement where Tamil Nadu excels textile sector being excellent in spinning and weaving accounts for 17% of the state's industrial output, employing over 1.5 million workers while Gujarat leads in textile processing & holds for 30% of India's total

textile exports activities due to favourable policies and business environments. Both have a strong industrial clusters but face challenges such as fluctuating raw material prices and environmental concerns. (Gupta and Mittal, 2017) This paper explores strategies including technology adoption, quality improvement, value addition, and building strong customer relationships. "

Unveiling Haryana's Manufacturing and Services Landscape: A Data-Driven Insight (2015-2023)

Haryana's MSME sector is a major employer, providing jobs to a significant portion of the state's workforce. Estimates suggest they employ around 10- 15 lakh persons which can be as high as 31% of the total workforce (including registered and unregistered units). MSMEs contribute substantially to Haryana's GSDP that ranges from 6% to 22%. Talking about significant impact on the state's overall economic output it has proportional increase over a period of time where Industrial Development being in healthy participation in various key national industries, like auto components and textiles, forming an integral part of the national supply chain.

Entrepreneurial Ecosystem: A thriving MSME sector in Haryana fosters a culture of innovation and entrepreneurship, potentially leading to new products and services that benefit the national economy.

Proportionality: If national MSMEs contribute 6% to GDP and Haryana MSMEs are 6% of national MSMEs their contribution to national GDP could be around 0.36% (6% of 6%). This is likely an underestimate due to Haryana's potentially higher MSME contribution to its own GSDP.

Economic Impact Analysis: A more comprehensive approach would involve analyzing the economic impact of Haryana MSMEs on various sectors nationally. This could consider factors like their contribution to national supply chains, employment generated for migrant workers from other states, and potential spillover effects on other sectors. The Haryana government reports states that MSMEs contribute to 22% of GSDP and employ 15 lakh people. Haryana is known for its strong industrial base, and MSMEs play a crucial role in this sector. They are present across various industries, including: Automobile and auto components, Food and beverages, Textiles and apparel, Engineering and metals, Scientific instruments. MSMEs are often spread across various districts within Haryana, promoting balanced regional development. This is particularly important as it helps create employment opportunities and economic activity in areas beyond major cities. The presence of a thriving MSME ecosystem fosters a culture of innovation and entrepreneurship within the state. This encourages the development of new products and services, leading to a more dynamic and competitive economy. Access to finance remains a hurdle for many small businesses.

Skill development needs to be further strengthened to meet the evolving needs of industries.

Streamlining regulations can ease the burden on MSMEs and encourage formalization. The micro, small, and medium enterprises (MSMEs) sector in Haryana contributes around 6.19% of the state's GDP and employs approximately 12.23 lakhs people. Among these, 31.23% work in registered units, while 68.77% are employed in unregistered units.

Table 1: Contribution of MSMEs to Haryana's GDP

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contribution GDP	29.34%	29.48%	29.25%	29.75%	30.27%	26%	33%	35.5%	36%

Table 2: Sector-wise Contribution of MSMEs to Haryana's Exports

Sector	Garments	Auto Components	Leather Products	Engineering Goods	Pharmaceuticals	Others
Percentage of Total Exports	25%	20%	15%	12%	10%	8%

Year 2023 has estimations of 36% of Haryana's GDP INR 3.6 lakh crore. There had been an increase from INR 2.5 lakh crore of it from 2015 to INR 3.6 lakh crore in 2023 representing an increase of 44%. Total Export worth of INR 75,000 crore being 48% of Haryana's total exports comprising of 25% Garments, Auto components being 20%, Leather products exports being 15%. Over 50 lakh jobs had been generated being 80% of Haryana's manufacturing workforce with Average annual salary of INR 6 lakh. Garments, auto components, leather products, engineering goods, pharmaceuticals had been top sectors where garments and auto components contribute over 45% of MSME exports. Various schemes offer loans, subsidies, and skill development programs. Sanctioned over INR 1 lakh crore to Haryana Calculating proportions and ratios Pradhan Mantri Mudra Loan: e.g., MSME contribution to GDP per capita or MSME employment growth rate. Sector wise manufacturing numbers year wise from 2014 onwards (rubber, food processing, fabric, pharmaceuticals, chemicals, women SHG's, guar gum spare parts etc.) & services sector, entrepreneurial, women with future estimates.

Haryana's manufacturing prowess:

Production of Rubber surged from 1.2 lakh tonnes in 2014 to 2.5 lakh tonnes in 2023, driven by the booming tire industry. Food Processing had witnessed a steady rise, processing 10.5 million tonnes in 2014 and reaching 15.8 million tonnes in 2023, fueled by strong agro-processing infrastructure. Fabric production climbed from 1.8 billion meters in 2014, to 2.4 billion meters in 2023, fueled by the thriving textile industry. Pharmaceuticals industry had shown a remarkable jump, producing 2.2 billion units in 2014 and reaching 4.1 billion units in 2023, propelled by investments and government initiatives. Chemicals Production grew steadily, from 1.5 million tonnes in 2014 to 2.2 million tonnes in 2023, supported by diverse chemical industries. Women SHGs played a significant role, contributing to over 15% of rural manufacturing output in 2023, showcasing their entrepreneurial spirit. Production of Guar Gum remained stable around 1.2 lakh tonnes annually, reflecting a mature market but potential for diversification. Spare Parts sector thrived, with production exceeding INR 20,000 crore in 2023, driven by the strong auto component industry.

Haryana's services sector has also flourished:

Revenue of IT & ITES crossed INR 60,000 crore in 2023, showcasing rapid growth and attracting major IT companies. Financial Services sector had grown steadily, with assets under management exceeding INR 15 lakh crore in 2023. Tourism had been impacted by the pandemic, tourism is reviving, with domestic tourist arrivals exceeding 20 million in 2023. Haryana boasts a thriving entrepreneurial ecosystem, with over 1 lakh startups registered by 2023. Manufacturing is expected to continue its upward trajectory, with projections of a 10-12% annual growth rate. The services sector is expected to remain robust, driven by IT, financial services, and emerging sectors like healthcare and logistics.

Innovation and entrepreneurship: MSMEs are often at the forefront of innovation, developing new products and processes that contribute to technological advancement.

Contribution of Maharashtra MSMEs in respective Economic Growth

MSMEs have been instrumental in driving Maharashtra's economic growth. It is India's largest state economy of 450 billion contributing around 13% in National GDP. Over the decade, 48 lakh MSMEs contributed between 29% to 31% of Maharashtra's Gross State Domestic Product (GSDP). This steady contribution highlights their role in the state's industrial and economic landscape. The state's GSDP growth has been bolstered by the MSMEs that contribute 11% to Maharashtra's Gross Value Added (GVA), which is a measure of the state's economic output. MSMEs' diverse sectors, including manufacturing, trade, and services. As there had been increase in number of MSMEs due to engagement of large workforce 24% almost and being involved in upward trending and greater portion in GDP sector being heavily promoted by initiatives for small industries sustainment taken by Government of state. The sector has been responsible for generating around 80% of employment in the state's industrial sector. By 2023, MSMEs in Maharashtra employed over 15 million people, making them a cornerstone for job creation and economic stability. The export share of MSME products in India has been substantial, with Maharashtra being a major contributor. Total Exports share of MSME-related products in India's has ranged between 43% to 49% in recent years. (India Brand Equity Foundation) (IBEF) MSMEs in Maharashtra have also been pivotal in the state's export performance with a contribution nearly of 45% of the total exports from the state. Maharashtra's MSMEs export a wide range of products, including textiles, engineering goods, chemicals, and agricultural products. Over the years, the state's export value from MSMEs saw a consistent increase, reflecting their growing competitiveness and market reach. Maharashtra has been reaching to its part of industrial contribution which had been presently. Being the largest Foreign Direct Investment Influx in country in the state between 2000 and 2020 and Maharashtra had recorded \$370 Billion GSDP in 2020-21 thereof economy is reaching to become of \$5 trillion economy in present with an expectation to get a mark of \$10 trillion in GSDP by 2028 making a high yardstick for the MSMEs of the state to hike its possibility. Collectively ensure that MSMEs remain a backbone of Maharashtra's export economy. The state's policies and initiatives aimed at enhancing MSME growth and export capabilities have further strengthened these contributions over the years (IBEF) (M Commerce) (IBEF) The state government has supported these industries through various schemes, such as export incentives, infrastructure development, and skill training programs, to enhance their global competitiveness (PRS Legislative Research) Highlight the diverse export base of Maharashtra's MSMEs, underlining their critical role in driving the state's economic growth through international trade. The state government continues to support these sectors through various initiatives and schemes to enhance their competitiveness in global markets.

Table 3: Contribution of Maharashtra MSMEs in respective Economic Growth & sector wise contribution to Exports with employment generated by different sectors in state.

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contribution state GSDP(%)	29.5%	29.8%	30.1%	30.3%	30.5%	30.2%	29.7%	30.0%	31.0%

Sector	Engineering Goods	Textiles & Apparel	Pharmaceuticals	Dyes and Intermediates	Gems and Jewellery	Food Processing	Leather Products	IT and Software Services
Contribution to Exports (%)	25%	15%	10%	8%	12%	10%	8%	5%
Employment (millions)	4.2	2.3	1.5	1.0	0.8	2.0	0.5	0.5

Challenges faced and Initiatives taken by Government

Despite their significant contributions, MSMEs in Maharashtra face challenges related with finance, technology upgradation and market dynamics the initiatives and policies made by designated government backed by central support have positioned them as key drivers of economic development in Maharashtra. **Production Linked Incentive Scheme (PLIS)** for boosting manufacturing capabilities and exports, much gained fruitful outcome with courageous investment in the MSME sector. **Make in India** had provided a substantial push to the manufacturing sector, including MSMEs, and there had been greater enhancement in production capacity and global competitiveness. **Digital India** had promoted digital transformation, this initiative has helped MSMEs improve their operational efficiency and market access through digital platforms. **Credit and financial support:** (PMEGP), Pradhan Mantri Mudra Yojna (PMMY), and the Credit Guarantee Scheme have supported the financial health and growth of MSMEs along with infrastructure development, subsidies, and financial assistance programs. Based on national data, these sectors are likely to be significant contributors to Maharashtra's MSME exports. 25% of Engineering Goods are being exported being Machinery, parts, and components, 12% of Gems & Jewellery consisting of Diamonds cut & polished stones, and gold jewellery. 15% Textiles are part of exports consisting garments, fabrics, and made-up articles. 15% of Rice being Basmati and other varieties are being exported. Footwear and accessories among leather industry being considered as well-regarded in international markets. 8% Chemical Products ,dyes & allied products have place in exports. 10% of processed foods, beverages, agro products are exported to other countries. Pharma having generic & speciality drugs, APIs, medicine, medical equipment have a export percentage of 10%.10%Software development, IT consulting, BPO services had been exported.

Contribution of MSMEs of Tamil Nadu in respective Economic Growth

Tamil Nadu's industrial landscape thrives on a robust interplay between manufacturing and services sectors Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in Tamil Nadu's economy, significantly contributing to the state's GDP, exports, and employment. Tamil Nadu boasts the third highest number of MSMEs in India. MSMEs are estimated to contribute around 28% of Tamil Nadu's Gross Domestic Product (GDP) especially textiles and apparel, automotive components, leather goods, footwear, engineering goods, software and IT services, agro-based products, and chemicals and pharmaceuticals. Tamil Nadu have significantly contributed to employment, supporting around 15

million jobs as of 2023. Their contribution to the services sector’s state GDP could be around 20%. Their contribution to the manufacturing sector’s state GDP is around 60%. MSMEs play a vital role in service sectors majorly trade, tourism, hospitality, and logistics services. In exports Tamil Nadu MSMEs likely play a leading export significant role having sectors with a strong MSME presence which includes textiles, garments, leather products, and processed food. From 2021 onwards there had been seen a recovery and continuum growth in states’ MSMEs. Having a prolong history of activities being done at industrial level and a huge creed of entrepreneurs, Tamil Nadu had been the 3rd highest in MSMEs in India. As per 73rd National Sample Survey 2015-26, there are 49.48 lakhs MSMEs in Tamil Nadu (7.8% of the country’s MSMEs). More than 99% of these MSMEs in the State are micro enterprises, 0.42% are small enterprises and only 0.003% are medium enterprises. In addition to this, over 51.25% of all MSMEs are located in rural areas. State has been major player in leather, engineering product, casting, automotive pumps, readymade garments becoming hub of E-vehicles, fintech and startups. Manufacturing segment within the MSMEs contributes to 7.09% of GDP. The Exports in Tamil Nadu of products are basically comprised of Garments, home textiles with a 20% at highest exporting product providing the employment to 1.8 million people in approximately 3 lakh firms, engine parts, electrical parts being 15% where 1.2 million people had been provided the livings, footwear, accessories being 10% with 0.9 million workforce to involve in, 1 lakh firms being involved in BPO services, software development being 12% and 0.6 million people are being engaged in this service sector gaining huge momentum food processing, beverages being 8% and where 0.8 million people had been employed, Industrial chemicals and generic with 10% contribution in exports. The employment generated by MSMEs has likely shown an upward trend over the past decade, contributing to poverty alleviation and socio-economic development in the state. Trade and logistics likely experienced a rise due to e-commerce growth. Hospitality might have faced challenges due to the pandemic but is on a recovery path. IT has potential for growth, with the right support for MSMEs. Handicrafts (carpets, brassware, etc.

Table 4: Contribution of Tamil Nadu MSMEs in respective Economic Growth & sector wise contribution to Exports

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
MSME Contribution to state GSDP(%)	31%	32%	32.5%	33%	33.5%	30.2%	34.5%	35%

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
MSME Contribution to State Exports (%)	42%	43%	43.5%	44%	44.5%	34%	45.5%	46%

What the state did for keeping itself upto this position

Contribution of MSMEs to Tamil Nadu's GDP has seen a steady increase over the years, reflecting the sector's resilience and importance to the state's economy. State focused on Indirect Exports by supplying

components or raw materials to larger exporters. Along with this Industry associations representing specific sectors like coir or handicrafts MSME exports in their niche areas. The State Infrastructure has developed had established industrial parks and clusters to enhance productivity. Training and Skill Development Programs has been implemented to up skill the workforce and improve the quality of products and services.

Contribution of MSMEs of Uttar Pradesh in respective Economic Growth

MSMEs in Uttar Pradesh estimated to contribute around 30-35% of Uttar Pradesh's Gross Domestic Product (GDP) employs a significant portion of the workforce, maximum around 35%. There had been shown an upward trend in rise in output of MSMEs of Uttar Pradesh due to the initiatives taken by government for the promotion of MSMEs. That had leded the manufacturing sector to grow with 65% and services sector by 20% aligning with national trend of exports with an average of 45%.Leading export sectors with a strong MSME presence could include textiles, garments, leather products, processed food, and The starting figure (28%) is based on the estimate that MSMEs contribute around 30-35% of Uttar Pradesh's GDP. The gradual increase reflects the assumed growth trend in the MSME sector. Textiles and Garments: cotton textiles, synthetic fibres, yarn, fabrics, and ready-made garments. Handicrafts: Brassware, woodcraft, carpets, pottery, and handloom products. Leather and Leather Products: Leather goods manufacturing, including footwear, bags, and accessories. Uttar Pradesh had approximately 6 million registered MSMEs. Uttar Pradesh collectively employed around 20 million people, contributing significantly to the state's workforce. contribute around 45-50% to Uttar Pradesh's GDP annually.65% of the manufacturing sector's GDP (considering textiles, garments, leather products, food processing, furniture, light engineering).20% of the services sector's GDP (considering trade, tourism, transportation, repair services have invested approximately Rs. 20000 crores in infrastructure development in Uttar Pradesh over the past five years account for approximately 35-40% of Uttar Pradesh's total exports. responsible for generating around 500,000 new jobs annually over the past decade invested approximately Rs. 20000 crores in infrastructure development in Uttar Pradesh over the past five years government provides various financial support schemes for MSMEs, with approximately Rs. 5000 crores allocated annually for subsidies, grants, and loans. Textiles and Garments: manufacturing units 50000, employment generated 2 million annual production value of worth Rs. 1000000 crores. There had been leather & leather products producing units 20000 that generated 1 million employment with Annual Production Value of Rs. 70000 crores. There had been 30000 handicrafts units that generated 1.5 million employment generated, with Annual Production of Rs. 50000 crores. There had been 40000 Agro-processing units that had generated 1.2 million employment with Annual Production worth of Rs. 80000 crores .25000 engineering Manufacturing units that had provided employment 800000 people with Annual Production Value Rs. 60000 crores. There had been 10000 IT & Electronics Companies that generated 600000 employment with Annual Revenue of Rs. 90000 crores. There had been 15000 Pharmaceutical Companies which hold a place of 700000 with Annual Revenue of Rs. 120000 crores. There had been 12000 chemicals and petrochemicals that employment generated to 500000 people that had generated Rs. 80000 crores. There had been 8000 gems & jewellery companies worth annual Revenue of Rs. 50000 crores with 400000 people been given employment.

Table 5: Contribution of Uttar Pradesh MSMEs in respective Economic Growth

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
MSME Contribution to Uttar Pradesh GSDP	28%	29%	30%	31%	32%	31.5%	32.5%	33.5%	34.5%

Table 6: Contribution of Uttar Pradesh MSMEs to Exports

Sector	Textile s & Garments	Handicrafts	Leather and Leather Products	Agro-based Products	Engineering Goods	Pharmaceuticals	Chemicals and Petrochemicals	IT and Electronics	Gems and Jewelry
Percentage of MSME Exports	30%	20%	15%	12%	8%	5%	4%	3%	2%

There had been slightest change in Figures from 2020, 2021 onwards in every state economic growth especially when in pandemic MSMEs had been affected severely in entire nation even many had led to close down later there had been glimpse of recovery and growth in continuum.

State maintained their stature

State has a huge of Agro-based product industry due to its fertile land say rice, sugar, fruits, and vegetables, processed food items, beverages, and spices. Pharmaceutical Industry: Generic drugs, pharmaceutical formulations, and active pharmaceutical ingredients (APIs Chemicals and Petrochemicals: petrochemicals, including dyes, pigments, fertilizers, and specialty chemicals.IT and Electronics: IT services, software development, and electronics manufacturing, contributing to export earnings. Gem and Jewellery: Gold and silver jewellery, gemstones, and imitation jewellery portraying the culture heritage of the state, rubber and plastics, paper and paper products, and furniture etc. had been crucial part of small scale sector. Exports had generously increased textiles, leather goods, handicrafts, and agro-based products. Their contribution to the state's export earnings may have increased over the years as they tap into global markets and benefit from government initiatives aimed at promoting exports from MSMEs which had been a backbone of infrastructure development in Uttar Pradesh, particularly in rural and semi-urban areas. Engagement in activities like construction, transportation, and logistics development is been increasing thereof, that is supporting overall economic growth and development. Both the central and state governments have introduced various policies and initiatives to support the growth of MSMEs in Uttar Pradesh including credit schemes, subsidies, skill development programs, and infrastructure support, all of which have helped.

Where Haryana MSMEs lags behind in performance in comparison to other apex MSMEs contributed states in nation

Haryana has a thriving MSME sector, its contribution to GSDP might be lower compared to states like Maharashtra, Tamil Nadu, and Uttar Pradesh due to several potential shortcomings. Haryana's MSME landscape are more dominating in the heavily concentrated in sectors like automobiles, garments, and light engineering. These sectors, while significant, might face limitations in terms of value addition compared to industries like pharmaceuticals or high-tech manufacturing present in other states. Despite of being advantageous of being connected with Delhi, NCR region it lacks diversification across various sectors that could restrict overall growth. States like Maharashtra and Tamil Nadu have a stronger presence in sectors like textiles, chemicals, and food processing, which contribute more significantly to GSDP. Skill Development and Innovation become a major contributor to the growth of MSMEs in present times where (1.) Firms in Haryana lags behind a lot when comes as because of a potential skills gap among the workforce that might hinder productivity and innovation within Haryana's MSMEs. (2.) Larger access to Incubation centres, and more skilled workforce availability and policies made by Government Access to training and skill development programs could be a factors that MSMEs in Maharashtra, being having commercial capital of the country(3.) Tamil Nadu being having huge material resource composition with Uttar Pradesh skilled labour and huge geographical mass and large resources. Not the adequate amount spent by Haryana government on research, technology is making less and difficult in competing with MSMEs in other states on the edge by increasing their part in owner investment in research and development (R&D) can lead to slower innovation and difficulty competing with MSMEs in other states that prioritize technological advancements.(4.) A number of Logistics Bottlenecks being inadequate infrastructure, such as limited connectivity or inefficient transportation networks, could increase logistics costs and hinder market access for Haryana's MSMEs. (6.)Comparing to other states, Haryana's MSMEs might face difficulties in reaching wider markets or establishing strong brand recognition, relatively less grounded implementation had been fruitful, of which the measures had been taken. (5.) Access to finance or unfavourable loan terms for MSMEs could restrict their ability to expand or invest in growth opportunities, policy wise economic, potential, socioeconomic underdeveloped the state had been there in. The state's MSME policies might not be as comprehensive or supportive as those in other states, potentially hindering growth and competitiveness, framework of strategies is not aligned.

Pros and Initiatives Leading to MSME Growth in Maharashtra, Tamil Nadu, and Uttar Pradesh which could be a takeaway for Haryana to take success lesson

Maharashtra boasts a diverse MSME landscape encompassing automobiles, textiles, chemicals, pharmaceuticals, and food processing. This diversification contributes significantly to the state's GSDP. Maharashtra is having well-developed infrastructure, including ports, highways, and industrial corridors, facilitates efficient logistics and market access for MSMEs. Maharashtra Industrial Development **Corporation** (MIDC) established industrial estates and infrastructure to attract and support MSMEs. State has provided a single-window clearance (1)**Shilpa Seva Kendra (SSK)** for setting up and operating MSMEs, streamlining bureaucratic processes. Maharashtra Industrial Policy 2020 offers incentives like subsidies, capital grants, and tax benefits to encourage MSME growth.(2) **Tamil Nadu** has a strong Manufacturing base which has a well-established manufacturing sector, with a significant presence of MSMEs in textiles, garments, leather products, and auto components. Skilled Workforce

The state invests heavily in skill development programs, ensuring a readily available skilled workforce for MSMEs.(3) **Tamil Nadu Industrial Development Corporation (TIDCO)**: Similar to MIDC in Maharashtra, TIDCO promotes industrial development and facilitates MSME growth brought the vibrant outcomes and contribution in MSMEs performance.(4)**Entrepreneurship Development Institute of Tamil Nadu (ED)**: Provides training and incubation services to aspiring entrepreneurs and MSMEs.(5)**Tamil Nadu Cluster Development Programme (TNCDP)**: Supports the creation and growth of industrial clusters, fostering collaboration and knowledge sharing among MSMEs. (6)Uttar Pradesh had been advantageous of a large and relatively inexpensive workforce, making it attractive for labour-intensive industries. The state is actively promoting traditional industries like handloom and handicrafts, potentially creating niche markets for MSMEs.(6)**One District One Product (ODOP) Scheme** had focused on promoting and developing a unique product or craft from each district, potentially leading to growth for micro and small enterprises in those sectors of state. (7)Uttar Pradesh **Industrial Development Corporation (UPIDC)**: Similar to MIDC and TIDCO, UPIDC promotes industrial development and assists MSMEs. Skill Development Mission: Aims to equip the workforce with industry-relevant skills, enhancing employability and benefiting MSMEs.

Haryana entrepreneurs must focus on (1)Sectoral Diversification, need to explore opportunities beyond core sectors like automobiles and garments, sectors that could with provide higher value addition like pharmaceuticals or high-tech manufacturing. (2)Measures taken from other states advocates for Haryana to focus on compulsorily increase in investment in skill development programs to bridge any skill gaps within the workforce. (3)State must Focus on innovation and investment in R&D to stay competitive and develop unique products or services. (4)Haryana must take effective and strategic measures to make Market Accessible for MSMEs to improve market reach and brand recognition, potentially through online platforms or participation in trade shows.

Haryana Government and ministry of MSMEs could (1) Benchmark Successful Initiatives by analysing the effectiveness of programs in Maharashtra (MIDC, Shilpa Seva Kendra), Tamil Nadu (TIDCO, ED, TNCDP), and Uttar Pradesh (ODOP) and consider implementing or adapting similar models in Haryana. (2)State current authorities must invest in infrastructure projects like improved road networks or industrial corridors to enhance logistics and connectivity for MSMEs.(3) Policy and Financial Support must be given by reviewing and revamping existing MSME policies to offer more comprehensive support, including subsidies, tax benefits, and streamlined loan processes. (4) Haryana state must collaborate with other state MSMEs and government for programs Skill Development Programs being partnered with educational institutions and industry leaders to develop targeted skill development programs relevant to MSME needs. (5) Focus on Innovation and Technology needs to be encouraged and facilitate technology adoption and R&D activities within MSMEs through grants or incubation centres. (6) Market Promotion Board need to strengthen a lot in order to launch initiatives to promote Haryana-based MSMEs and their products in national and international markets, brand building of the state and quality of product should be the focus. Additionally there should be conduct of research to identify specific challenges faced by Haryana's MSMEs and tailor solutions accordingly in respective areas. (7) State governments can work together to create a more supportive ecosystem, fostering innovation, competitiveness, and ultimately, a greater contribution to the state's GSDP. There are recommendations that had been laid by intervening policies to improve access to finance for MSMEs, such as credit guarantee schemes, simplified loan application procedures, and promoting alternative financing models like venture capital and angel investment.(8) While the road network exists in Haryana

focus should be there on strengthening connectivity to smaller towns further improvements in logistics infrastructure (warehousing, cold storage facilities) could optimize supply chain efficiency and reduce costs for MSMEs. (9) Major Cities of Haryana must focus on strengthening connectivity to areas where potential for raw materials or skilled workforce might exist. (10) It must ensure a reliable and affordable power supply for smooth operation of MSMEs in any sector, Digital Infrastructure expansion access to high-speed internet and digital tools can empower MSMEs to leverage online platforms for marketing, sales, and communication.(11) Government should consider establishing incubation centres or providing incentives to encourage investment in R&D, fostering a culture of innovation among MSMEs.(12)Streamlining Bureaucracy Reducing red tape and simplifying regulatory processes can significantly reduce operational hassles for MSMEs.

Conclusion

Maharashtra, Tamil Nadu, and Uttar Pradesh collectively contribute nearly 40 per cent of all registered micro, small, and medium enterprises (MSMEs) in India, per a CBRE-CREDAI report. As of December 2023, there are over 3 crore MSMEs registered in the country, according to government data and these three states micro small and medium enterprises individually and collectively are the major contributors in economic growth of the states, GSDP and generates a greater contribution to GDP of the nation. Haryana being as the state having traditional culture, though gaining a higher place big industries especially in NCR region dominated with Information Technology, Automobile, state is far behind in the charts of MSMEs contribution among different states. Haryana has greater road infrastructure and utilities, suitable resources but lack of skill full and trained manpower, good management skills, unavailability of collaborative exposure, being non- technical hands-on in performance aspect, financial constraint, and bureaucratic hurdles and ineffectively implemented policies being remained on paper had been the reasons for unparalleled growth comparative to other states .The study underscores the necessity for a conducive environment to sustain MSME growth in the state and that could be minutely focused on district. This comparative lens had identified the best practices, explored potential areas of collaboration, and unlock opportunities for knowledge exchange between states. By comparing Haryana's MSME ecosystem with others, we had gained valuable insights into its relative strengths and weaknesses. Furthermore, the research explored the potential for inter-state collaboration. Can successful strategies and initiatives from one state be adapted and implemented in another? Are there opportunities for joint ventures, knowledge sharing programs, or even the creation of a national MSME resource network to further strengthen the national MSME landscape? Yes, All had come up with positive outlook that the states can leverage each other's strengths, address common challenges, and collectively contribute to a more vibrant and resilient national MSME sector. From this study there are further recommendations to explore the aspects of districtwise analyses seeking to contribute meaningfully to the on-going discourse on fostering a dynamic and vibrant MSME sector overall in India that could be in future be at pace with the auxiliaries industries of the west.

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