

Accelerating the Development of Small Firms in Rajasthan's Smaller Towns

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For many years, Rajasthan's economy has been growing at about the national average. If Rajasthan does not do better in the future, we will not be an all-prosperous State by 2047. The main reason is that Rajasthan's economy does not create enough reasonably paying jobs, particularly for those without a good college education. That's a major problem because there are and will be plenty of such people.

Young people in Rajasthan will continue to move out of villages, and often move to large towns such as Jaipur and Jodhpur, hoping that their children will have better prospects. But such towns are already too crowded, and their further expansion creates its own problems.

Rajasthan will have to make many changes in its economy to lift itself up to prosperity. Fortunately, the Rajasthan government is working to make one important change. This is to aggressively promote Micro, Small, and Medium Enterprises (MSMEs). A new draft Government policy supports this idea. It states:

"MSME sector not only plays a crucial role in providing greater employment opportunities at comparatively lower capital cost as compared to large industries but also helps in industrialization of rural & backward areas, thereby reducing regional imbalances and assuring more equitable distribution of national income and wealth ... the State Government desires to usher in a new era of growth for its MSMEs."

Good idea, which is consistent with the Union government's national plans.

Liftup India 2047 will assist MSMEs to grow in Rajasthan. We will do the same in West Bengal, Odisha, and add more states later.

Initially, we will assist the existing MSMEs in selected smaller towns (population under or around 3 lakhs) in different parts of each state. Our

selected towns will be “growth-ready,” meaning they meet our three objective criteria. First, they have adequate physical (road, rail), human (health, education), and digital infrastructure. Second, they have enough land and water for town expansion. Third, they have ongoing MSMEs with growth potential.

We want these towns to grow fast by absorbing some of the migrants from nearby villages, so that the migrants don’t go to large, far-away towns. Initially, we will assist the existing MSMEs in our selected towns, and later support entrepreneurs to set up new MSMEs in these towns.

Our aim is to at least double, within about 7 years, the total output from all the MSMEs in each town, which will create a significant number of new reasonably paying jobs. And there will be good opportunities for self-employment.

Initially, we have selected Churu, Kotputli, and Bundi to work in, and will gradually add other smaller, growth-ready towns. Later, we will work in other types of smaller Rajasthan towns.

Liftup India²⁰⁴⁷ consists of a group of motivated people of different backgrounds and ages who have come together as volunteers to promote India’s economic development. We are a new type of a non-profit group. We are production-oriented, inspired by successful non-profit groups such as Amul and SEWA. A key difference is that they help only their members, but we have no membership and will assist all MSMEs.

Our work will be catalytic and facilitative. We will function as a “proactive helpdesk” assisting MSMEs with the financial, marketing, technical, and administrative/regulatory issues they face. We will “handhold” the MSMEs but not provide any resources ourselves. We will have adequate local capacity in each town, but bring in additional resources as needed.

We will help the MSMEs to do better by enabling them to take full advantage of existing government schemes for MSMEs. Further, we will bring in non-government State and national groups and people who want to help MSMEs.

In this way, we will help the existing MSMEs to grow by improving their financial strength, and assist interested entrepreneurs to set up new units.

We have completed the step of defining the “project concept and broad

operational modalities.” By the end of August 2022, we will complete “a detailed ground reality assessment” and define “the initial activities of the helpdesk.”

We plan to begin full-scale implementation by the end of December 2022. After that, we will continue to promote MSMEs in Rajasthan, taking advantage of new opportunities as they arise. And we are developing other projects that we will implement in Rajasthan’s smaller towns.

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