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## IPR & MSME's ARE THE ANALOGOUS FOR ECONOMIC SUSTAINABILITY IN INDIA-A WAY AHEAD

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### Abstract:

Present Economic situation can be altering by MSMEs. Especially developing country like India, the transformation of Socio-economic status of a country is not an easy task. In this regard MSMEs should get engaged in invention/innovation through continuous and effective research and development. A factor which can avoid the glitches in MSMEs and make MSMEs to reach global standard is IPR i.e., Intellectual Property Rights. IPR is a spectrum where it covers every phases of business as well as other things too. In the span of 7 years India come up with lot of initiatives like Make in India, Digital in India, Start-Up India and Stand-up India and continued with present Aathmanirbhar Bharath which focuses towards to reach 5trillion economy and sustainability. By its alertness and vitality, the sector should show admirable innovativeness and adaptability to survive the recent economic downward spiral in this regard IPR will creates lot of opportunities to grow in the future. In this paper researcher focuses on the impact and importance of IPR on MSMEs. Here researcher drives the view of younger generation attention on IPR and opinion on sustainability with IPR. In this paper researcher made an analysis on IPR and MSMEs. This paper is based on primary, secondary data and expert opinion. Analysis is done by considering 152 respondents with using Descriptive, Correlation and ANOVA as statistical tool. This paper also makes an attempt to draw out the viewpoint/ ideas about sustainability as well as holistic development.

**Key Words:** Innovation, IPR, MSMEs, Opportunities and Sustainability.

## 1. Introduction:

Intellectual Property and its value towards MSMEs are not appreciated habitually. In the stages of knowledge driven economy, IPR contribute significantly on sustainability and development. Almost daily new products, brands and creative designs appearing the market and are the result of continuous human innovation and creativity. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. Due to lack of awareness, ignorance and other technical constraints MSMEs are not focus on IPR as a result MNCs and other large-scale industries may facsimile the unique process or methodology of their MSMEs counterparts. To condense the weakness of MSMEs and to protect their unique products and services from large and Multi National Companies. There is a huge opportunity for MSMEs to acquire IPRs, Government incentives to MSMEs in getting patents and identify and analyze the number of MSMEs applied and acquired IPRs with the help of government incentives.

Intellectual Property Right can be defined as “A right that is had by a person or by a company to have exclusive rights to use its own plans, ideas, or other intangible assets without the worry of competition, at least for a specific period of time. These rights can include copyrights, patents, trademarks, traditional knowledge and trade secrets.” The reasoning for intellectual property is to encourage innovation without the fear that a competitor will steal the idea and / or take the credit for it.

Definition of MSMEs:

Revised Classification applicable w.e.f 1st July 2020			
Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover			
Classification	Micro	Small	Medium
<b>Manufacturing Enterprises and Enterprises rendering Services</b>	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover ; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover ; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover ; not more than Rs. 250 cor

Sources: <https://msme.gov.in/know-about-msme>

The micro, small and medium enterprises (MSME) sector contribute significantly to the manufacturing output, employment, and exports of the country. MSME sector accounts for about 45 percent of the manufacturing output and around 40 percent of the total export of India. The MSME sector is estimated to employ about 101.26 million persons in over 44.77 million units throughout the country. The MSME contributes about 8 percent of the GDP of the country. Further, this sector has consistently registered a higher growth rate compared to the rest of the industrial sector. There are over 6000 products ranging from basic commodities to highly specialized products /services, which are being objective of defining MSMEs is to segregate them from the rest of industry for extending policy support for exclusive promotion. MSMEs are facing lot of challenges pertaining to

financial aspects and marketing their product and service as a major issue. In this regard IP would be more relevant as a trademark, patent, copyright, GI tag etc. By coining the IPR as main strategy for MSMEs product and Services, MSMEs can be in the path of profitability as well as sustainability.

## 2. Review of Literature:

- **Raj Ankush Soshte (2020) A study on building awareness on intellectual property rights (IPR) for the micro, small & medium enterprises (MSME) in India** the paper focused on importance of IPR for MSMEs by using secondary data. To make MSME stronger MSMEs should be aware of IPR. Even though government has taken a lot of programmes, there is gap in MSME about awareness about IPR.
- **Sowmya and Paramashivaiah, (2020) Role of MSMEs through IPR in Post COVID19 Era-in Students Perspective** states that by adopting and adapting the IPR by MSMEs can build the brand for its products and services which may leads to market enhancement and sustainability. Through descriptive analysis, Anova and t-test of the primary data analyzes by the authors it concludes that R&D and innovation is mandatory for sustainability in any crisis by MSMEs.
- **Isita Lahiri and Monojit Banerjee (2019) Development of Sustainable Brands in the Micro, Small and Medium Enterprise (MSME) Sector in India** emphasis on the role branding of Indian MSMEs needs to be in the holistic approach as the hitches of MSME branding are multi-layered and multifarious. Integrated strategies have to be developed for the Indian MSME sector firms to be sustainable in the long run, where marketing and branding would definitely be crucial issues. Author concludes the accomplishment of the paper objectives by convenient sampling was used to select 61 MSME firms and from these a total of 193 respondents were chosen for data collection.
- **Chiruvoori Ravivarma1, Dama Bhuvankumar2 (2018) A Descriptive Study on Intellectual Property Right in India-Challenges for MSMEs and Institutional Support** through the secondary data here author described that there challenges faced by MSMEs and need institutional support to overcome the challenges. Here researcher also mentioned the Institution which gives assistance to acquire the IPR for MSMEs.
- **Subina Syal(2015) Role of MSMEs in the Growth of Indian Economy** here author demonstrate through secondary data that the MSME sector is the 'engine of growth' for developing countries and discussed about Employment opportunities, Infrastructure Development, Testing laboratories, Foreign direct investment policy, De-reservation, Competitive technology, Export promotion within the MSME sector.
- **Sati-Salmah Sukarmijan and Olivia De Vega Sapong, (2013)** the importance of intellectual property for SMEs; Challenges and moving forward in this paper author describes the role and importance of IPR for MSMEs development. Using secondary data this paper also demonstrates how IPR can become an economic means and the challenges faced by MSMEs in implementing IP system.

## 3. Research Methodology

**3.1** This study determines the subsequent Research questions.

1. What is the opinion of respondents on MSMEs sustainability with IPR?
2. Which are the factors justify that IPR and MSMEs are Analogous for economic sustainability?

### 3.2 Research objectives:

1. To know opinion of respondents about IPR and MSMEs.
2. To analyze the factors influencing sustainability of MSMEs with IPR.
3. To know the view of respondents on Aatmanirbhar Bharath /Vocal for Local.

### 3.3 Hypothesis:

- H1: IPR influence MSMEs and its Sustainability.
- H2: Influence of IPR on MSMEs makes positive impact on Sustainability.
- H3: There is significant impact Aatmanirbhar Bharath /Vocal for Local in post COVID era on MSMEs and IPR.

### 3.4 Methodology:

The study is explorative and descriptive. In order to analyze and interpret the data, data is gathered through primary source, a survey through online Google form questionnaire has been sent various people within the Bangalore to 152 respondents. Purposive sampling techniques are used to collect the data. This study is descriptive and explorative. It tends to describe the importance and impact IPR and MSMEs in younger generation perception as respondents in developing MSMEs through IPR by enhancing with essential knowledge of IPR by the respective stake holders of economic sustainability.

**3.5 Statistical tool:** Descriptive analysis, ANOVA and Correlation is used to prove the hypothesis and to interpret the data. The study was limited to Bangalore only. All the core questions are in Likert scale with a five-point scale is used to collect data.

**3.6 Sample Unit:** The sample unit is derived for study are based on respondents occupation, age, educational qualification, gender.



**4. Data Analysis and interpretation: 4.1 Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
IPR is vital requirement to in Post Covid Era for MSMEs growth and expansion	152	3.00	5.00	4.0132	.77191
Through IPR MSMEs can avoid Marketing financial and other pitfalls	151	3.00	5.00	3.9073	.66684
The use of IPR will give a boost to performance of the MSME sector	151	3.00	5.00	4.3444	.66379
digitalization the IPR will help the online platforms	151	2.00	5.00	4.2053	.75998
An integration of IPR and MSMEs leads to increase exports	152	3.00	5.00	4.0132	.77191
To reach 5trillion economy by India MSMEs should spotlight IPR	151	3.00	5.00	3.9073	.66684
branding of Indian MSME through IPR acts	151	3.00	5.00	4.3444	.66379
process of protection of new innovations by the MSMEs	151	2.00	5.00	4.2053	.75998
motto of Aathmanirbhar Bharath	151	3.00	5.00	4.3444	.66379
Vocal for local and local to global the IPR	151	2.00	5.00	4.2053	.75998
IPR has the significant influence on the MSMEs	152	2.00	5.00	4.3092	.79928
MSMEs requires IPR	151	2.00	5.00	4.2052	.75998
Valid N (list wise)	149				

Age				
		Frequency	Percent	Cumulative Percent
Valid	20-25	37	24.3	24.3
	26-30	69	45.4	69.7
	31-35	23	15.1	84.9
	4.00	6	3.9	88.8
	5.00	17	11.2	100.0
	Total	152	100.0	

Gender				
		Frequency	Percent	Cumulative Percent
Valid	Male	59	38.8	38.8
	Not Concerned	93	61.2	100.0
	Total	152	100.0	

Qualification				
		Frequency	Percent	Cumulative Percent
Valid	Degree/Diploma	83	54.6	54.6
	PG	62	40.8	95.4
	ABOVE PG	7	4.6	100.0
	Total	152	100.0	

#### 4.2 One-Sample T-Test

One-Sample T-Test						
	T	Df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
sustainability	64.097	151	.000	4.01316	3.8895	4.1369
IPR	66.469	151	.000	4.30921	4.1811	4.4373

The T-test was used in order to check that whether there is any influence of IPR on the sustainability of the MSMEs sector. Through the statistical test it is proved that there is influence of IPR as p value is less than 0.05

#### 4.3 Coefficients<sup>a</sup>

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.754	.432		10.999	.000
	motto of Aathmanirbhar Bharath	-.104	.098	-.086	-1.052	.294

a. Dependent Variable: IPR In MSMEs

The hypothesis that there is a linear relationship between the IPR and Aathmanirbhar Bharath is statistically as  $P < 0.05$ . IPR and Aathmanirbhar Bharath are positively correlated that is there is significant impact of Aathmanirbhar Bharath on IPR in MSMEs. **4.4 Correlation**

	<i>Correlation</i>	
MSMEs requires IPR	1	
The branding of Indian MSME through IPR acts and protection as a key gate way for holistic development	0.664872593	1

The above table demonstrates that there is positive relationship between IPR and MSMEs. Here respondents viewed that for MSMEs there is requirement of IPR for branding, protection of MSMEs product and services which lead to holistic development.

#### 4.5 Interpretation:

- From the above table we can understand that IPR will give a boost to performance of the MSME sector. It is proved that the IPR will boost the performance of the MSME sector as its approximate mean value is more than 4. Hence, many of the respondents agree to this phenomenon.
- From the above table showing that the IPR is much required in the post Covid era for growth and development of MSME sector. As its approximate mean value are more than 4, with minimum and maximum of 3 and 5 respectively and standard deviation 0.77. Hence, many of the respondents agree to this concept.
- The above table is evident that through IPR MSMEs can reduce or avoid the marketing and financial pitfalls because as it get the financial support from financial institutions as well as it becomes easy to marketing the MSMEs product and services as its get the global recognition. The fact is that most of the respondents agree to this as the mean value is 3.9 and the standard deviation is 0.6668.
- From the above table showing that the digitalization of IPR will help the MSME create massive online platforms. It is witnessed that the IPR create a way MSME sector to tap the online markets as its approximate mean value is more than 4, with minimum and maximum of 2 and 5 respectively and standard deviation 0.75998. Hence, many of the respondents agree to this concept.
- The above table is evident that the integration of the IPR will be able increase the exports and contribute to Indian economy is the fact as most of the respondents agree to this as the mean value is approximately more than 4 and the standard deviation is 0.74741.
- The above table showing the mean value approximately 3.9 and standard deviation 0.66684 statistically prove that to reach 5 trillion economy by India MSMEs should spotlight IPR.
- The table is evident that with the mean value of 4.20 it shows that the majority of the respondents agree that there is a need for the protection of new innovations of the MSME by the IPR etiquettes.
- The table showing the mean value approximately more than 4.344 and standard deviation 0.663 with the help of statistical tool prove that the Motto of Athmanirbhar Bharat that is vocal for local which leads to reach Global will give a spirit of competition and the IPR would be the major contributor in this aspect.
- The aim of Vocal for local and local to global the IPR will lead as the brand to attract the customers is proved statically in above table as the approximate mean value is more than 4.20 and standard deviation 0.75998 as the many of the respondents agree to this phenomenon.
- From the above table it is evident that as the many of the respondents agree which is reflected in the approximate mean value of 4.3052 proves that the IPR has the significant influence on the MSMEs and lead to economic sustainability.

11. Hypothesis 1 it is evident that the implementation of the IPR in the MSME has considerable impact on performance boost, lead global market, and branding as the p value is less than 0.050. Whereas, the implementation of the IPR in the MSME has no considerable impact on increase in exports and economic sustainability as its p value is more than that of 0.050.

12. The null hypothesis (HO) is rejected and the alternative hypothesis (H1) is accepted. Therefore, we can conclude by saying that there is significant difference with the opinion of the respondents in implementation of IPR in MSME sector with regard to age, qualification and gender.

## 5. Suggestion and Conclusion:

The Micro, Small and Medium Enterprise are significant area and play a critical role in the Indian economy. It is essential to support and educate the MSMEs to make effective and efficient utilization of the resources, and regular updating and up gradation of latest techniques and technology implementing in worldwide and made to attain skills to meet global competencies. To uplift MSMEs through IPR in coming days to maintain economic sustainability government has under taken lot of initiatives which encourages for innovation with dynamic technology, research and development, effective strategies and implementation process.

By adopting and adapting the IPR i.e., Trademarks, copyrights, patents, taking the advantage of GI tag (Geographical Indication tag) etc., MSMEs can build the brand for its products and services which may lead to market enhancement and sustainability. Integration of the IPR will be able increase the exports and contribute to Indian economy.

All MSMEs should do the comparative analysis with developed countries. Government should take effective measures for MSMEs with respect to IPR strategy. The respective authority should initiate with IP building hub in every industrial area. As a result of continuous innovation and development in all the aspects MSMEs can create a wide range of job market, business market etc., and it can support for the present Aathmanirbhar i.e., "Vocal for Local". IPR protection for strengthening their industries and trade, Indian industries, particularly the small and medium enterprises are lagging behind in recognizing the importance of IPR and responding positively to the global changes in the IPR.

It is essential that the MSME in India should show a positive approach towards creation, protection and management of IPR, so as to enable them to compete in the global market and achieve growth in business. For further study on above topic can be taken place by focusing on samples taken from each sector individually evaluate to know that same IPR approach would be applicable for economic sustainability.



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