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Research and Information System for
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The Size Structure of India's Enterprises: Not just the middle is missing

Tuhinsubhra will present findings from his working paper, "The Size Structure of India's Enterprises: Not just the middle is missing" co-authored with Prof. Santosh Mehrotra.

Abstract: Due to the predominance of tiny enterprises and informality in the industrial sector, it is tough to harness the economies of scale, adopt new technologies and undertake regular upgradation. One of the essential characteristics of firm size distribution patterns in developing countries is a bimodal distribution with a 'missing middle,' which is widely accepted in development economics, which is also found in India. The contribution of the paper is that for the first time a comprehensive database is constructed to enable analysis of the size structure of India's non-farm enterprises. The second contribution is that unlike the development economic literature's focus on the 'missing middle' phenomenon in developing countries, we find much greater and deeper distortion in India. We analyse data from the Annual Survey of Industries (ASI), National Sample Survey (NSS) and Economic Census(EC) to assess the size structure of the whole non-farm sector. Informality abounds in India both for workers and firms, which is a well-known fact. However, even more alarming is that among all micro enterprises, 84.2 percent are own-account enterprises (OAEs). We have used ASI and NSS data sources both to demonstrate that there is not only a missing middle but a missing small category as well.



DATE
August 24th

TIME
6.00-7.00 p.m.