

Role of Small and Medium Enterprises in Addressing Sustainable Development Goals (SDGS): An Analysis with Reference to India

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Abstract

“Sustainable Development” (SD) has emerged as the latest development catchphrase over the past few years. It has become a new paradigm of development for many national and international organisations. In light of which significant number of countries have accepted sustainable development and adopted it by formulating policies based on sustainable development. The concept of sustainable development has evolved over the years. There are three key indicators of sustainable development namely social, economic and environmental. At the same time, micro, small and medium enterprises have emerged as driver of socio-economic upliftment world over, especially for under-developed and developing countries. MSMEs are considered as an effective solution to provide large-scale employment, method of equitable distribution of resources and way for mobilisation of resources such as capital and skills.

This paper attempts to investigate the role of micro, small and medium enterprises in achieving the goals of sustainable development with special reference to SDGs. Out of the 17 Sustainable Development Goals (SDGs), 10 have direct bearing on development goals there are some goals where these small enterprises play a significant role, directly or indirectly. The paper examines the significant role played by small and medium enterprises in addressing the goals of sustainable development taking evidence from available literature.

Key Words: Sustainable Development, SDGs, Micro, Small and Medium Enterprises (MSMEs)

1. Introduction

“Sustainable Development” (SD) has emerged as the latest development catchphrase over the past few years. It has become a new paradigm of development for many national and international organisations. In light of which significant number of countries have accepted

sustainable development and adopted it by formulating policies based on sustainable development.

With its most acceptable definition as given by Brundtland’s Report in 1987, development that satisfies the needs of the present without compromising the needs of the future, sustainable development attained key focus at global platform addressing all the broader developmental perspective. Sustainable development emerged as one of the most urgent subjects of international policy after the 1992 United Nations Earth Summit in Rio de Janerio. (Chichilnisky, 1999).

The concept of sustainable development represents and comprise of multiple concepts which applies to various range of public policy areas. (Sustainable Development: A review of international literature, Report by the Centre for Sustainable Development, University of Westminster and the Law School, University of Strathclyde, 2006)

Sustainable development has been defined in different ways in different perspectives over time. Before going for a detailed and structured discussion on different approaches the term has been viewed and perceived during last few decades, let us look at some of the major definitions used by different researchers. In light of the Brundtland’s Report, new definitions of sustainable development emerged linking sustainability to economic, social and humanitarian concerns. In many of the cases sustainable development and sustainability is used interchangeably, therefore we have also taken account of sustainability while defining sustainable development.

Table 1: Emerging definitions of sustainable development

Perspective	Definition	Source	Relevance
Environmental	The ability of the whole or parts of a biotic community to extend its form into the future	Ariansen, 1999 in Ihlen, Roper, 2011	
Economic	A state in which the natural capital stock is non declining through time	Kumar	

Societal	A form of societal change that in addition to traditional development objectives, has the objective or constraint of ecological sustainability	Lele, 1991	
	Sustainability is a phenomenon of nondeclining maximum utility overtime	John Pezzy, 1992	Highlighted the utilitarian aspect of sustainability
povertyecosystem linkages	Sustainability is a state or a phenomenon of nondeclining human wellbeing overtime	United Nations	
Business	For the business enterprise, sustainable development means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future	International Institute for Sustainable Development in 1992	
stability and chaos theory	a system is called sustainable if it is stable (over time) and nonchaotic, subject to the constraints (standards, tolerance levels, thresholds etc.) levied	Rassafi, Poorzahedy and Vaziri (2006)	

	upon its components		
Holistic	A development that meets the needs of the present without compromising the ability of future generations to meet their own needs	Brundtland’s Report, 1987	offers holistic aspect of the concept which has also led to various advantages and disadvantages. Studied the interrelations between environment and social changes and highlighted the global problems originating from these

Source: Compilation from multiple sources

Therefore, we can see that sustainable development draws relevance from the interaction of three complex systems namely the world economy, global society and the Earth’s physical environment.

2. Review of Literature

The concept of sustainable development evolved over the period of time. The term sustainable development was first introduced in 1980 by International Union for the Conservation of Nature and Natural Resources (IUCN).IUCN was founded in 1948 and its key focus area was environment conservation. The World Conservation Strategy was a milestone work pioneered by IUCN which laid foundation for the concept of sustainable development (Schwass, UNESCO). It was the first time that the goal to achieve sustainable development was introduced in the World Conservation Strategy (Lele, 1991). The building up of the concept of sustainable development can be traced back to 1972 Stockholm Conference on the Human Environment. The conference for the first time acknowledged the conflicts between environment and development. This was followed by World Conservation Strategy of the International Union for the Conservation of Nature which was held in 1980 where conservation emerged as a tool to aid development and promote sustainable development and utilization of species, ecosystems, and resources (Kates et al, 2005).

Although traditionally, the concept of sustainable development was limited to ecological and environmental concerns, however, with the release of Brundtland’s Report on sustainable

development (Our Common Future: Report of the World Commission on Environment and Development, 1987) by World Commission on Environment and Development in 1987 this concept gained momentum. The report defined sustainable development as a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It highlighted the conflicts between the environment and social development and problems arising out of such environmental and societal development were discussed in the Report. Sustainable development was highlighted as a solution to all such problems in the Report (Szabad, 2013).

The next phase of evolution of the concept of sustainable development can be traced back to early 1990s to the Rio Earth Summit. In order to achieve the underlying objectives of sustainable development, the Brundtland’s Commission called for an international conference to be convened by the General Assembly of the UN. The UN General Assembly endorsed the proposal of the Commission, whereby the large-scale international conference under the title United Nations Conference on Environment and Development was held in the year 1992. The conference was followed by the Rio Earth Summit which was held at Rio in 1992.

The Summit attempted to come up with a development framework for resolving environmental issues through sustainable developments. The key documents namely Agenda 21, the Rio Declaration on Environment and Development, the Statement of Forest Principles, the United Nations Framework Convention on Climate Change, and the United Nations Convention on Biological Diversity were some of the key outcomes of the summit which served as the guiding light on sustainable development.

Post Rio Summit which was held in 1997, many countries became active participants to adopt sustainable development. Nearly 150 countries setup sustainable development committee at the national level. While on the basis on Agenda 21, around 1800 local governments prepared their customized Agenda 21 documents to adopt sustainable development approach (Szabad, 2013). Following which a Conference on Climate Change in Kyoto was organized in December 1997 and majority of developed nations were asked to cut their carbon emissions in order to take some steps forward in achieving sustainable development. Table 2: Phases of evolution of the Concept of Sustainable Development

S. No.	Time	Key development	Evolution of Concept
1	1972	The Stockholm Conference	First ever political forum where world leaders discussed relevance of environmental and nature protection
2	1987	Brundtland’s Report	Report gave the most commonly

			<p>accepted definition of sustainable development</p> <p>Sustainable development emerged as an important focus point for national and international policy development with an emphasis on weak sustainability model</p>
3	1992	United Nations Conference on Environment and Development	UN General Assembly endorsed the proposal of the Brundtland's Commission to promote the strategy of sustainable development to address problems highlighted in Brundtland's Report.
4	1992	The Rio Earth Summit	120 world leaders and representatives of 150 countries adopted an action plan as Agenda 21 for the adoption of Sustainable Development
5	June 1997	Post Rio Summit	<p>Approval of Global Environmental Facility (GEF), financial support system, the Framework Agreement on Climate Change and the Agreement on Biological Diversity</p> <p>More than 1800 local govts worked out on their tailor made Agenda 21 150 countries setup sustainable development committee at the national level.</p>
6	December 1997	Conference on Climate Change in Kyoto	Developed countries were asked to reduce emission of greenhouse gases
7	1998		Sustainable development being adopted in non-environmental policy areas ¹

8	2002	European Council adopted the EU Sustainable Development Strategy	
9	2002	World Summit on Sustainable Development	Johannesburg Plan of Implementation (JPOI) identified 8 core action themes for national strategies Sustainable development discussed as a key element on the international agenda which targets to fight poverty and protect environment
10	2012	United Nations Conference on Sustainable Development Rio+20	A decision by member countries was taken to prepare a political outcome document on sustainable development, Sustainable Development Goals were (SDGs) were prepared in convergence to Millennium Development Goals (MDGs)
11	Post 2015	Development of post 2015 UN development agenda	UN Task team on the post 2015 UN Development Agenda set up High level panel of eminent persons to provide guidelines on post 2015 development agenda

In the later phases of evolution, sustainable development emerged as an acceptable framework which started getting a prominent place in policy initiatives of many countries. Similarly, new and varied dimensions were added up to the concept of sustainable development. The aspects of humanitarian approach, freedom-based approach, social

³Poverty eradication, sustainable production and consumption, protecting the natural resource base of economic and social development, globalization, health and sustainable development, small island developing states, Africa and other regional initiatives dimension was added up thereby, making sustainable development as more of an overarching framework to address issues like poverty, environmental degradation, social challenges etc.

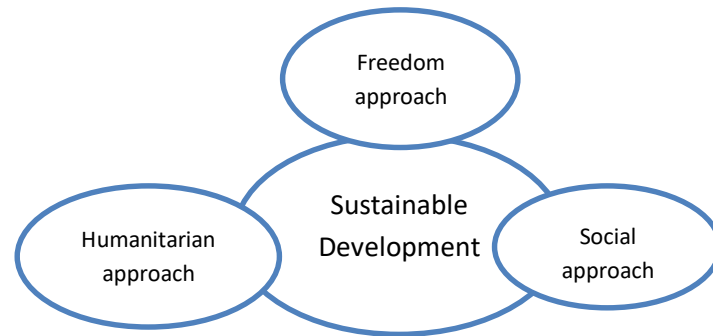


Figure 1: Framework of Sustainable Development

In order to address global challenges faced by nations at large, Sustainable Development Goals (SDGs) were prepared with a view to tackle issues in a sustainable manner. In 2012, a conference on Sustainable Development also known as Rio+20 was organized by United Nations. The breakthrough of this conference was the preparation of Sustainable Development Goals (SDGs) by all the member states. These SDGs are as given below; a) End poverty in all forms everywhere

- b) End hunger, achieve food security and improved nutrition and promise sustainable agriculture
- c) Ensure healthy lives and promote well-being for all at all ages
- d) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- e) Achieve gender equality and empower all women and girls
- f) Ensure availability and sustainable management of water and sanitation for all
- g) Ensure access to affordable, reliable, sustainable and modern energy for all
- h) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- i) Build resilient infrastructure, promote inclusive and sustainable industrialized and foster innovation
- j) Reduce inequality within and among countries
- k) Make cities and human settlements inclusive, safe, resilient and sustainable

- l) Ensure sustainable consumption and production patterns
- m) Take urgent action to combat climate change and its impacts
- n) Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- o) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss
- p) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- q) Strengthen the means of implementation and revitalise the global partnership for sustainable development

Post 2015, the focus is being shifted to an overarching framework which is likely to address all the problems and challenges faced by world at a global level as specified in the SDGs. In this regard, UN System Task Team on the post 2015 development agenda having representation of 60 UN agencies and international organisation being setup. Further, High level Panel of Eminent Persons was setup with representation of 27 private sector, academia, civil society and local authorities who are working on preparation of recommendations on post 2015-development agenda. (Website of United Nations Economic and Social Council). Sustainable development has been looked upon as a tool to address global problems, however, on the other side of it, sustainable development as a concept is being criticised owing to the problem of ambiguity pertaining to definitions, various sub concepts, its interpretations and strategies to achieve sustainable development. Some of the issues in the concept are lack of a clear and focussed definition, terminology problem, lack of clear distinction among sustainable development, sustainable growth and sustainable consumption, multiple interpretation of sustainable development, measurement of sustainability (Luke, 2005, Imran, Alam, Beaumont, 2014, Kumar.KS.Kavi, Ciegis, Ramanauskiene, Martinkus, 2009, Taylor, 2014). There are also certain confusions regarding the terms “sustainable development” and “sustainability” (Alin& Emil, 2015). Understanding is either too narrow considering only the environmental impact of development or, as in much development practice, too loose considering anything that continues to exist beyond the life of a programme. Poor people in recipient countries are often negatively impacted by these different interpretations of sustainability. (Taylor, 2014) Further, Lele. Sharachchandram (1991) stated that sustainable development although being one of the most spoken subject suffers with serious weaknesses. The concept lacks consistency in interpretation. The concept does not capture the complete understanding of problems of poverty

and environmental degradation and a state of confusion persists on the role of economic growth and on concepts of sustainability (Dr Szabad, 2013).

3. Micro, Small, and Medium Scale Enterprises

Micro, Small and Medium Enterprises are key to socio-economic development for most of the countries across the world over the years. MSMEs are considered as an effective solution to provide large-scale employment, method of equitable distribution of resources and way for mobilisation of resources such as capital and skills. In India, they have been significantly contributing towards Indian economy for long Pillania (2012), Garg and Goyal (2012), Javalgi and Todd (2011), Singh, Garg and Deshmukh (2009), Das (2008). Across the globe the sector is considered to include small and medium enterprises while in India this sector also includes micro enterprises. Therefore, MSMEs are typically used in case of India to denote this segment. Globally, SMEs are recognised for their significant contribution in boosting economic growth, employment generation and poverty alleviation Ayyagari, Beck and Kunt (2005). China being one of the fastest growing economies in the world and a notable competitive of India is driven by 99.7% of total enterprises. SMEs are responsible for 68% of China's export and 75% of the new employment opportunities annually National Bureau of Statistics China (2010).

SMEs are slowly and steadily increasing their share in the economic development. For instance, Malaysia which is another developing Asian economy observed increase in employment generation by SMEs which was 56.4% in 2003 and rose upto 59.5% in 2009 Timm (2012).

In India, MSME sector has made a significant contribution in terms of employment generation, industrial growth, income generation, rural development among others. The sector contributes nearly 8% to GDP and around 40% to exports, which could easily be done better had there not been some of the perennial problems haunting the sector from the beginning Yadav (2014), M/o MSMEs (2015).

Through their significant contributions to economy, employment generation, harnessing entrepreneurial skills, and community development MSMEs are playing pivotal role in attaining sustainable development. As Hoff (2007) discussed that sustainable SMEs are key drivers in environmental protection, poverty alleviation, improving quality of life and also providing the innovation and role models required to chart out more sustainable models of economic development. Hence this sector should be strengthened in order to achieve the goals of sustainable development.

4. How MSME's can Address Goals to Sustainable Development

At the backdrop of world moving towards adopting the post 2015 UN Sustainable

Development Agenda, it becomes crucial for country like India to participate in the achieving the goals which can only be accomplished by giving boost to activities leading to employment, economic growth, food, water, and energy security, poverty alleviation. MSMEs have been recognized for their growing contribution to sustained global and regional economic recovery IFC. Sustainable SMEs can drive models of economic development through environmental protection, poverty alleviation, improved quality of life and providing innovation Cheung (2007).

In the coming times, it is anticipated that MSMEs are going to play a crucial role in fulfilling India's national goals and their role in achieving financial inclusion, employment generation in urban and rural regions, inculcating self-employment is extremely important. Some of the flagship programs of Indian government such as 'Make in India', 'Zero defect and zero effect', 'Digital India' relies on boosting MSMEs growth in the country.

Brundtlands Report has provided a scope to highlight the importance of SMEs in achieving sustainable development. With a special focus on industry, Brundtland's Report has also advocated for the key role played by industries in terms of providing employment and production of products and services and contribution to exports. Thus small-scale industries especially MSMEs are vehicle of economic growth and contribute in the sustainable development.

"Such dispersed industries could relieve big cities of some of their population and pollution pressures. They could provide non farming jobs in the countryside, produce consumer goods that cater to local markets, and help spread environmentally sound technologies" Our Common Future: Report of the World Commission on Environment and Development

Sustainable development rests on three pillars namely the social, economic and environmental pillars (Kates, Parris & Leiserowitz, 2005). The interrelationships of these three pillars forms the foundation stone of sustainable development. These are also known as

"three Es" of sustainable development which signifies economy, equity, and the environment. Sustainable development attempts to address concerns pertaining to these three areas of development.

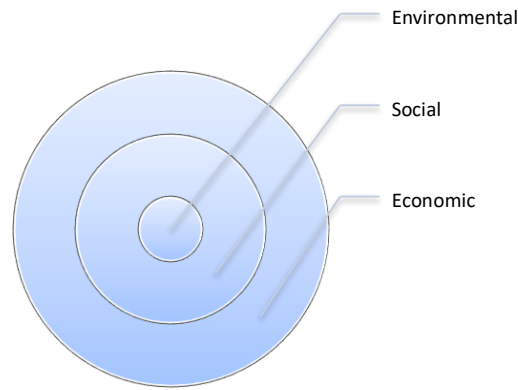


Figure 2: The three pillars of Sustainable Development

Economy: A sustainable economy attempts to provide sufficient goods and services and aims to avoid sectoral imbalances. The Brundtland Report has shifted the whole focus of sustainability from environment to development in general which led to converge economic and environmental aspects of sustainability (Ihlen, Roper, 2011). Lele (1991) stated that development and environment concerns are no more contradictory but the question remains is that how sustainable development can be achieved. According to him, sustainable development is an overarching concept that equally relates to all sections of society and economic growth is absolutely important for sustainable development. Hence it should not be viewed only under environmental lens.

World Commission on Environment and Development argued that economic growth is necessary for sustainable development with a special focus on quality of growth so as to check the adversities of this growth on environment (WCED, 1987). Neo classical economists linked sustainable development to increase in social welfare which can be measured in terms of economic output and came up with a approach where sustainability and development are not contradictory to each other (Lele, 1991). Hence, sustainable development was no more dealt with ecology or environment only. Soon after that, economic indicators such as GNP per capita, intergenerational equity, consumption and utility were used to measure sustainability and interpret sustainable development.

Economic linkage of sustainable development has resulted in the development of sub systems of weak and strong sustainability within the concept of sustainable development. This subsystem is based on neo classical growth models where a trade-off is set between natural and man-made capital. Strong sustainability means that the natural and man-made capital compliments each other and is important for sustainable development. While weak sustainability builds on the basis that depletion of natural capital can be substituted by manmade capital (UN, OstasiewiczKatarzyna, 2013). The theories of strong and weak sustainability have

been a topic of debate as large number of economists and environmentalists share different views on this.

Environmental: Under the sustainable landscape, there should be trade-off between economic development and environmental resource utilisation. Hence development should not be at a cost of exploiting natural resources.

Initially the concept of sustainability emerged with its key focus on ecological or environmental issues, however, the concept has evolved multidimensional over the years. The term sustainability has traced its origin from the science of ecology (Ihlen, Roper, 2011). Ecological approach interprets sustainability as a state having minimum conditions of ecosystem stability and resilience over the period of time (Kumar.KS.Kavi). The ecological approach gives equal importance to the sustainability of mankind and other functions of nature namely biodiversity, climate etc. (United Nations Paper on Sustainability, Growthbased Sustainable Development: Various Approaches). The approach lays focus on placing environment at first position and thereby favours the implementation of environmental driven policies in all structures and at all economic levels (Alin, Emil). Hence, the main concern is laid on maintenance of adequate level of natural resources so as to enable a better environment to the future generations.

Social: This aspect of sustainable development aims to achieve social equity, poverty alleviation, gender equity etc, thereby enhancing social inclusion at all levels.

The concept of sustainable development soon derived relevance in terms of social welfare and became significant approach in addressing social challenges like poverty. The social welfare approach presumes the social challenges like poverty as one of the critical polluters of environment. This linked-human-ecosystem well-being approach is considered most important in the interpretation of sustainable development. Under this approach societal aspects like empowerment, enhanced social mobility, effective participation, institutional development attains special focus (United Nations Paper on Sustainability, Growth-based Sustainable Development: Various Approaches)

Ciegis, Ramanauskiene, Martinkus (2009) pointed out that sustainable development is not about choosing between economic development and social progress rather the approach demands for achieving growth and development vis-à-vis tackling environmental concerns. OstasiewiczKatarzyna (2013) highlighted that sustainable development encompasses quality of life as a substantial part of it.

Although these sustainable development being an overarching framework aims to have bring equilibrium among all these sub systems but many a times the same is being criticised to create

complications and difficulty in achieving the overall goal of sustainable development (Harris, 2000).

There are no two opinions in the essentiality of sustainable development. Over the years sustainable development has transformed as an inclusive concept indicating that its analysis is not based only on economy, social, ecological, institutional but as an integrated system as a whole (Ciegis, Ramanauskiene, Martinkus, 2009).

5. Contribution in Socio-Economic Development

4.1 Employment generation

MSME sector has generated large scale employment for masses over the years. Currently, the sector is estimated to employ nearly 111 million people. There has been an increase in the number of working MSMEs as well as employment generation by them. The sector provided employment to nearly 260 lakh people during 2002-03 which is estimated to increase about 1013 lakh people during 2011-12. It can be observed that the sector has witnessed remarkable growth of about 290% over the decade Annual Report of M/o MSME (2014-15). The table below shows the significant employment generated by MSMEs in the country.

Table 3: Contribution of MSMEs in Employment Generation

Total employment in MSME sector in 2013-14	111 million people
Total growth rate of employment by MSMEs in registered sector	8.60%
Annual growth rate of increase in employment in manufacturing sector from 2001-02 to 2006-07 (Registered sector)	9.84%
Annual growth rate of increase in employment in services sector from 2001-02 to 2006-07 (Registered Sector)	2.06%
Growth rate in the employment generation by MSME sector from 2001-02 to 2006-07	26.42%
Growth rate of employment in manufacturing sector	18.49%
Growth rate of employment in services sector	34%
Growth rate of employment by MSMEs in unregistered sector	30.56%

Source: Annual Report (2015-16), Ministry of MSME, Government of India

In registered as well as unregistered sector, MSMEs are significantly contributing in the employment generation, therefore playing a key role in driving country's economic development.

4.2 Contribution as ancillary units to big industries

MSMEs have historically acted as the feeders to the big industry, addressed demand-supply gap, contributed to foreign exchange reserves of the nation and generated employment. These enterprises play a crucial role in meeting the supply demand gap of large enterprises by supplying raw materials and distributing the finished products to the end users Olalekan & Dansu (2013). They form an effective network of supply chain between small-scale producers, urban, national, export markets serving the rural markets which lack required infrastructure of large enterprises Cheung (2007). Owing to this strong linkage, it is often believed that procurement from these enterprises results in bringing economic development, regenerate local communities generate stakeholder goodwill The Institute of Sustainability (2012).

Therefore, SMEs play an important role in innovation, economic growth, employment creation, and the provision of goods and services to underserved communities, especially in rural areas Cheung (2007).

As per Goal 9 of SDGs, **which lays emphasis on building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**, it becomes important for MSMEs to cater to this growing demand. MSMEs' has a salient feature of significantly contributing to the employment generation and gross domestic product. On one hand better infrastructure is a need of most of the Indian states and cities while it has been seen that growth of MSMEs in a region leads to improvement of infrastructure in that region. SMEs are flexible and possess the ability to offer customer centric products and high levels of customer service through innovation and creativity The Institute for Sustainability (2012). SMEs help in environmental protection and create social value through innovation Network for Business Sustainability (2013). SMEs have the opportunity to grow as stable employers by exploiting market gaps and harnessing local entrepreneurship (Cheung, 2007). Small industries can also be training grounds for developing entrepreneurial talents, and they are often able to use labour resources and raw materials, which might otherwise, remain idle Berkowitz (1963). Further, small-scale industry can also help build a more truly competitive and less monopoly-ridden private sector. This results in a decentralised society which is important as capital and power does not remain only in few hands (Sandesara, 1988).

Goal 10 of SDGs, aims to reduce inequality within and among countries. MSMEs are crucial for reducing inequality in income, inequality in education attainment, improving health status

through better access of employment and access to food. Thereby providing social security and grant access to opportunities in general. MSMEs possess the characteristics of achieving higher levels of productivity of economies and innovation and labour-intensive ability enables them to attain the ultimate SDG. Through large scale job generation and providing opportunity of entrepreneurship, creativity and innovation, these micro, small and medium enterprises can be important tool to achieve sustainable economic growth.

MSMEs are responsible for bringing about developmental changes by employing local people, low-skilled labor and make significant investments in training Cheung (2007). MSMEs are effective agents of bridging the rural-urban drift as they engage in rural development and improve rural infrastructure resulting in better standard of life. Establishment of MSMEs is followed by better social amenities like road networks, electricity, water, telecommunications facilities Olalekan & Dansu (2013), Hoff (2007). MSMEs are also important for building social capital by empowering women and preserving local culture, arts and handicrafts (Cheung, 2007).

With special reference to India, most of the population dwells in small cities and a large section of people live in villages. In such a scenario, it is remarkable to observe that MSME units have been scaled up in these places over the years. Khadi and Village Industries have a long history rooted in the independence of our country. These industries possess the advantage of creating employment opportunities even at a low per capita investment. Gandhi viewed these village industries as an important vehicle to provide ‘work to all’ and recognizing women’s contribution in India’s economic development². This was high impact of Gandhian Philosophy on India that cottage and village industries received a lot of policy emphasis.

Khadi and village industries (KVIs) has emerged as a driver of sustainable development through increase in the sales as well as employment generation over the years. The table given below depicts the increment in number of village industries and employment generation by these enterprises over the last few years.

Table 4: Sales and employment generation by KVIs

Year	Sales		Cumulative Employment	
	Khadi	Village Industries	Khadi	Village Industries

¹ Gandhi and the Twenty First Century Gandhian Approach to Rural Industrialization by Dilip Shah

2012-13	1021.56	26818.13	10.71	114.05
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2013-14	1081.04	30073.16	10.98	119.40
2014-15	1170.38	31965.52	11.06	123.19
2015-16*	1218.04	36424.20	11.06	143.78

Source: Annual Report 2015-16, Ministry of MSME, GOI

* upto 31.01.2016

Khadi and village industries can evolve as partners of sustainable development in nature and their presence can be traced since ancient time in our country. These units does not demand high capital investment and infrastructure in terms of heavy buildings, water and electricity usage. They also employ local rural and village people and hence bear a direct linkage to sustainable development by meeting essential needs of people. It is expected that employment for more than 19.50 lakhs people will be generated by khadi sector while employment for more than 163 lakh persons in village industries during this fiscal (LaghuUdhyogSamachar, April 2016, DCMSME).

Some of the small enterprises such as handicraft and handloom reflect a major contribution in the development of communities. The artisans involve in the establishment of a variety of products ranging from simple (diyas, pottery products) to complex products (traditional handmade jewellery etc.). India has 18, 73, 624 handloom/ handicrafts enterprises and 60% of which is located in rural areas. The table below depicts the very nature of these small enterprises to be locally driven, contributing to rural development and strengthening women workforce. This relates how effectively MSMEs are caricatures of sustainable development.

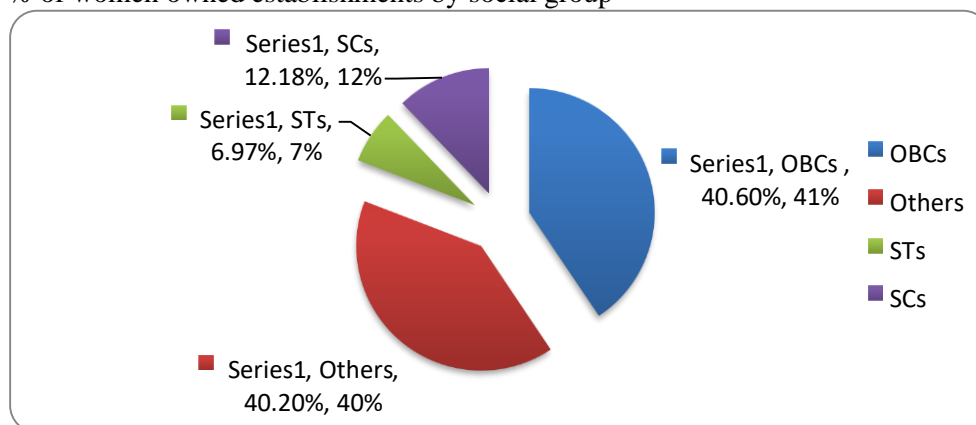
Table 5: Significance of Rural enterprises in societal development

Total handloom & handicrafts in India	Rural	Urban
18,73,624	59.6%	40.4%
Total women led establishments in India	Employment in rural	Employment in urban
8,050,819	61.46%	38.54%

Source: All India Report of Sixth Economic Census, 2013-14

The data of All India Report of Sixth Economic Census, 2013-14 shows the active participation of OBCs, STs, SCs in women owned establishments. This also strengthens our argument that small businesses are significantly contributing in social upliftment of all sections of society.

% of women owned establishments by social group



Source: All India Report of Sixth Economic Census, 2013-14, MOSPI

Micro and small enterprises are growing at a higher rate as compared to medium enterprises. As shown in the table given below, the number of EM II filed by various enterprises found to be mostly from small and micro enterprises.

Table No 6: No of EM II filed by MSMEs

Year	Number of EM II filed			Total
	Micro	Small	Medium	
2010-11	2,05,112	29,125	1,263	2,38,429
2011-12	2,42,539	34,225	2,949	2,82,428
2012-13	2,75,867	41,502	5,449	3,22,818
2013-14	2,96,526	59,127	7,338	3,62,991
2014-15	3,46,206	70,933	8,219	4,25,358

Source: Annual Report 2015-16, Ministry of MSME, GOI

This indicates that these small units have a better reach among masses and are gaining prominence in inclusive economic development to a large extent.

Goal 11 of SDGs focuses on making cities and human settlements inclusive, safe, resilient and sustainable. MSMEs growth has potential to contribute in providing housing for all, development and planning of cities, efficient transport system leading to overall urban development. MSME sector meets the demand for processed goods as well as provides a source of livelihood for large number of rural artisans. Similarly coir industry is another environmental friendly sub industry of MSME sector which have a high export potential. Some of the states namely Tamil Nadu, Karnataka, Andhra Pradesh, Odisha, West Bengal, Maharashtra etc. are rich in the production of coconut crop and has large potential to boost export in this segment which will be sustainable too (MSME at a Glance 2016, Ministry of Micro, Small and medium Enterprises, GOI). Coir products are expected to generate an employment for more than 7.25 lakh persons (LaghuUdhyogSamachar, April 2016, DCMSME).

On the above backdrop, it can be interpreted that the future of “sustainable development” depends on achieving effective trade-off between addressing local and global environmental challenges (Glaeser, 2011). MSMEs are capable to achieve many of the SDGs and help economies in fulfilling larger goals. The table given below analyses the 10 SDGs which can be achieved with the effective contribution of MSMEs. Table 7: Inter-linkages between SDGs and MSMEs

SDG Goal No.	SDGs	Targets	Role of MSMEs to achieve corresponding SDGs
Goal 1	End poverty in all its forms everywhere	<i>social protection systems, substantial coverage of the poor and the vulnerable, equal rights to economic resources, create sound policy frameworks at national, regional and international levels</i>	MSMEs for livelihood creation and ensuring equality and addressing poverty

Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	By 2030, double the agricultural productivity and incomes of small scale food producers, By 2020, ensuring sustainable food production systems	Strengthening small MSMEs in scaling up their domestic food production Focussing on ecofriendly agricultural techniques
Goal 5	Achieve gender equality and empower all women and girls	Undertake reforms to give women equal rights to economic resources, enhance use of technology to promote empowerment of women, promotion of gender equality and the empowerment of all women	Women led MSMEs have potential to participate in economic growth, educational attainment of their children, sharing of household responsibility leading to overall empowerment of women
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy to all	By 2030, increase substantially the share of renewable energy in global energy mix, By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services	MSMEs utilise local resources, can be setup with small infrastructural requirements Micro enterprises which run on renewable sources of energy can be focussed

Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Sustain per capita economic growth, achieve higher levels of economic productivity, promote development oriented policies that support growth of micro, small and medium sized enterprises, Decouple economic growth from environmental	Enhancing MSMEs has a direct positive impact on employment generation and creating business opportunities for youth Policy framework should entail the support
		degradation, by 2030 achieve decent work for all women and men, by 2030 implement policies that create jobs and promote local jobs and products	of growth of MSMEs Growth of MSMEs is environmental friendly MSMEs at regional level can focus on niche products
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Promote inclusive and sustainable industrialisation, by 2030 promoting inclusive and sustainable industrialisation, increase access of small scale industrial and other enterprises	MSMEs being inclusive in nature should be promoted to address the direct SDGs Manifold increase in growth of MSMEs would be a growth enabler
Goal 10	Reduce inequality within and among countries	By 2030, progressively achieve and sustain income growth, By 2030 promote, empower social, economic and political inclusion of all	MSMEs are community based enterprises which bring together socially weaker classes, they ensure women empowerment through a boost to women led enterprises

6. Conclusions

Sustainable development is a holistic framework which has gained prominence over the years. Countries are working in the direction to achieve the sustainable development goals (SDGs) to address the challenges for the future. With the immense focus of SDGs, we have attempted to study the model wherein MSMEs can emerge as vehicle of change. MSMEs through their key attributes namely contribution to employment generation, supporting larger industries, strengthening society by supporting women entrepreneurship, encouraging innovation, supporting environmental friendly measures align with all the pillars of sustainable development.

10 out of 17 SDGs can be directly addressed with the effective support of MSMEs, hence a model with a focus on MSMEs can be suggested to achieve the desired goals of sustainable development in the longer run.

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