

Role of MSMEs in Building a Better Future for India by 2030 to Achieve the Sustainable Development Goals

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Abstract: *The Sustainable Development Goals provide a comprehensive framework for creating a better future for all. Sustainable Development Goals can be achieved by businesses, and the good news is that this is good for both humanity and business. As part of Atmanirbhar Bharat's agenda, we are promoting MSME development and creating good infrastructure to support MSME. We are also encouraging MSME for the production of products with domestic value addition and reducing imports. MSME producers in our nation were also encouraged by this mission to produce import substitution goods. Additionally, the sector contributes to the generation of employment, economic development as well as the development of backward and rural areas of the nation. By providing credit facilities and skilled entrepreneurs to MSME, the Indian government promoted MSME through various atmanirbhar bharat schemes, which made this sector more competitive and attractive, both nationally and internationally.*

Keywords: Micro, small and medium-sized enterprises, sustainable development, Atmanirbhar Bharat, Poverty alleviation, industry innovation, economic growth

I. INTRODUCTION

Atmanirbhar Bharat Abhiyan decrypts to 'self-reliance India' and 'self-dependency India', and it is the main objective of 'Making in India', and it is a primary element of the mission to boost the Global Economic status of India in the coming years. The key vision of Atmanirbhar Bharat lies in sustainable development, self-sustainability, and promoting only product and resources produced in our nation and a lifecycle. The main policy goal of Atmanirbhar Bharat is to support MSME and create good infrastructure for them as well as to encourage MSME to increase domestic value added products by all products produced in our country and reduce the use of imported goods. MSME production of import substitution goods was also promoted by this mission.

First used in the Cocoyoc Declaration* by Barbara Ward in 1974, "Sustainable Development" has been discussed widely in numerous international summits, conferences, and reports such as the IUCN Report (1980, 1990) and World Commission on Environment and Development (WECD). WECD's report titled "Our common future" became a landmark report, which drew attention to the fact that only sustainability can wipe out the threat to survival of mankind. After the Earth Summit of 1992 and The Norway Round Table in 1995, the idea was well discussed.

Sustainable Development has been discussed at major summits and agreements, but they have not been able to come up with a comprehensive solution. The member states of the United Nations have adopted the millennium development goals, which significantly reduce poverty in developing countries. This Millennium Development Goals (MDGs) has been replaced by Sustainable Development Goals (SDGs). The 2030 Agenda for Sustainable Development Goals consists of 17 SDGs and 169 targets to be met before 2030. These targets and goals are aimed at bringing peace and prosperity to nations around the world. All nations should work together to achieve those goals and targets, which include reducing poverty by 2030, improving health and education, reducing inequalities, and maximizing economic growth across all regions while tackling the looming threat of climate change.

Globally, the Sustainable Development Goals provide a comprehensive framework for human progress to create a better world by 2030. It is not only corporations that have a stake in the Sustainable Development Goals, but also businesses that can have an impact. As part of its commitment to support MSME, Atmanirbhar Bharat has created good infrastructure for them as well as encouraged industries to value-add to all products produced in the country. There is a

lot that businesses can do to contribute to the Sustainable Development Goals, and the good news is that they can do this while also providing a comprehensive framework for the world to work together towards a better future.

II. REVIEW OF LITERATURE

- According to the Agarwal (2021), "Atmnirbhar Bharat has been putting the concept of local to global under the policy of self-reliance and make in India, and it has focused on two major concepts: boosting MSME and using local products, and the second is less reliance on other nation's product by substituting goods produced in our country." The study relies on secondary data, which was gathered from a variety of sources including newspapers, research papers, publications, and websites.
- According to Dubey and Sahu (2020), the government introduced the Atma Nirbhar Bharat Abhiyan in order to empower all entrepreneurs, although it has mostly concentrated on the MSME sector. This mission has taken the first step toward promoting MSME through agriculture-based manufacturing. However, it will aid in the creation of more jobs in India and the improvement of their businesses that rely on natural resources to produce their goods. The research is based on secondary data, which was gathered through papers, websites, and the news. This is qualitative data acquired by the researcher and is descriptive in nature.
- According to Mehta and Awasthi (2021), MSME has played a vital part in the Indian economy's financial growth and development. Furthermore, around 36.1 million micro, little, and medium firms are working to create items, which will help India's exports improve. Secondary data was employed in the study, and correlation and regression methods were used to meet the objectives. Finally, MSME employs around 6.11 percent of the manufacturing GDP, which contributes to the economy's growth.
- SDGs can only be realised, according to Kamal-Chaoui, if nations develop strong SMEs. The researcher stressed the necessity of policies in creating a healthy business climate to make SMEs more productive while discussing the role of SMEs in innovation, job creation, gender equality, and inclusive development, among other things. He expressed worries about SMEs' access to capital and engagement in global value chains, as well as banking changes and innovative financing models.
- According to Pratibha (2020), the Indian government has implemented strategies to expand MSME by increasing market demand for indigenous products, enhancing supply chain mechanisms, and providing money to MSME. Small companies are enhancing their products and services and offering job chances to the economy with the support of self-reliance, which will help to boost the gross domestic product (GDP).

III. RESEARCH METHODOLOGY

The study is descriptive in nature and is based on secondary data. Researchers collected the data from published and reliable secondary sources. There are many sources of information including journals, magazines, reports, websites, etc. Ministry of MSME website (<http://msme.gov.in>) of Government of India.

3.1 Objectives Of Research

1. Developing an understanding of sustainable development.
2. Role of MSMEs in building a better future for India by 2030 to achieve the Sustainable Development Goals.

3.2 MSMEs' Part in Achieving Sustainable Development Objectives

MSMEs are important pillars in achieving sustainable development goals because of their diversified operating skills. The United Nations General Assembly has designated June 27 as International MSME Day, in recognition of the worldwide influence MSMEs have. The topic "MSMEs "Small Businesses, Big Impact" emphasises the role of MSMEs in achieving sustainable development. MSMEs working in specialised industries may be able to assist in achieving a variety of objectives. We classified MSMEs' contributions to achieving those goals into four categories of activity attributes: employment, operational efficiency, Corporate Social Responsibility (CSR) activities, and morally and lawfully obeying laws and bylaws. Each activity contributes to the achievement of specific objectives. However, while some activity attributes may aid in the attainment of many goals, we've taken a realistic approach and assigned only one objective to each activity attribute.



3.3 Background on MSMEs

According to the World Bank, Micro, Small and Medium Enterprises (MSMEs) are defined as follows – micro enterprises: 1–9 employees; small: 10–49 employees; and medium: 50–249 employees. However, the local definition of MSMEs varies from country to country, and is based not only on number of employees, but also by inclusion of other variables such as turnover and assets. MSMEs play an important role in the wider eco-system of firms. Start-ups and young firms, which are generally small or micro firms, are the primary source of net job creation in many countries and are the driving force of innovation and sustainability in the private sector. There are about 365-445 million MSMEs in emerging markets: 25-30 million are formal SMEs, 55-70 million are formal micro, and 285-345 million are informal enterprises.

3.4 Partnering with ITC

- Identifying new market opportunities, designing sector roadmaps and coordinating their implementation across development actors are ways we assist.
- A market-driven value chain development approach maximizes sustainable growth opportunities, regardless of product or service sector.
- We provide stakeholders with the opportunity to move from articulation of issues to sector development action plans to implementation and beyond.
- We begin by assessing the opportunity and analyzing the value chain, which include:
- The company identifies and provides input on the most promising market opportunities so that enterprises can identify, assess, and capitalize on them.
- Evaluates how support service providers can assist enterprises in competing in both new and existing markets.

3.5 Sustainable Development Goals

- (1) No Poverty
- (2) Zero Hunger
- (3) Good Health and Well-being
- (4) Quality Education
- (5) Gender Equality
- (6) Clean Water and Sanitation
- (7) Affordable and Clean Energy
- (8) Decent Work and Economic Growth
- (9) Industry, Innovation and Infrastructure
- (10) Reducing Inequality
- (11) Sustainable Cities and Communities
- (12) Responsible Consumption and Production
- (13) Climate Action
- (14) Life below Water
- (15) Life on Land
- (16) Peace, Justice, and Strong Institutions
- (17) Partnerships for the Goals

IV. SPECIAL MEASURE UNDER ATMANIRBHAR BHARAT ABHIYAAN

In addition to the existing credit-related schemes and other announcements made under the Atmanirbhar Bharat Package to provide better access to finance for MSMEs, the Ministry of MSME is focusing on all aspects. The following two announcements were made under the Atmanirbhar Bharat Package to provide better access to finance for MSMEs: -

- Subordinate Debt of Rs 20,000 crores for Stressed MSMEs:
- Credit Guarantee 14 Annual Report 2020-21 Trust for Micro and Small Enterprise will get funding from the Indian government of Rs. 4,000 crore. It would set aside Rs 20,000 crore as subordinate debt to help stressed

MSMEs get access to capital.

- On June 24, 2020, the Credit Guarantee Scheme for Subordinate Debt (CGSSD) for Stressed MSMEs was finalized and launched. As of December 31, 2020, 178 borrowers had received guarantees totaling Rs. 17.66 crore from 12 institutions. 50,000 crores of rupees MSMEs receive equity injection from a Fund of Funds.
- The Hon'ble Finance Minister announced a Fund of Funds for MSME Scheme on the 13th of May 2020, which will infuse Rs. 50,000 crore in MSMEs as equity. This will create a framework for assisting MSMEs with capacity expansion. MSMEs will also be able to list on stock markets as a result of this. The Guidelines for Self-Reliant India (SRI) Fund Scheme have been accepted and issued by the Ministry of MSME. NSIC Venture Capital Fund Ltd. is a subsidiary of National Small Industry Corporation Ltd. (NSIC), which was established in 2013 under the Companies Act. It's been labeled as an SPV (Special Purpose Vehicle) for a Fund of Funds.
- SBI Cap Ventures Ltd and Khaitan and Company have been chosen as the Fund Manager/Asset Management Company and Legal Advisor for the SRI Fund. The Ministry is now working on putting the fund of funds into action. The implementation of the SRI Fund plan is still in its early stages. These steps will aid in the attraction of debt and equity investments, as well as the creation of additional employment in the MSME sector.

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The Ministry of MSME runs numerous schemes targeted at:-

- a) Providing credit and financial assistances,
- b) Skill development training,
- c) Infrastructure development,
- d) Marketing assistance,
- e) Technological and quality up gradation and,
- f) Other Services for the MSMEs across the country.

4.1 Key Message

- India's goal of achieving the Sustainable Development Goals and Nationally Determined Contributions (NDC) objectives may be impossible to accomplish unless it reverses jobless growth and major environmental challenges.
- According to estimates, India would need to generate 15 million new jobs each year over the next 15 years to alleviate the current worrying job situation. India, too, has a long way to go before achieving universal minimum living standards. India ranks 130 out of 188 nations on the Human Development Index, with 58 percent of its people without the resources to satisfy basic necessities. Consumption needs have risen dramatically as a result of rising population and urbanization. This poses a severe danger to the strong economic growth's long-term viability.
- MSMEs are considered as a significant potential at an era when programmes such as the Atmanibhar Bharat yojna, Make in India, and Startup India are fostering manufacturing and entrepreneurship in India. Focusing on medium and small businesses, particularly rural social enterprises, as agents of local economic development is crucial. Exploring how India's initiatives, such as Make in India are incentivizing indigenous green firms offers opportunities.

V. CONCLUSION

The process of sustainable development requires a focus that can integrate the perspectives and efforts of various development participants around the world, while taking into account the diversity of geography, society, economics, science, and technology capabilities and capacities, as well as education levels and standards. We must encourage public and private investments that contribute to the SDGs, modifying our production and consumption patterns, and restricting the use of fossil fuels and plastics.

Various countries, including India, are working toward these goals through various commitments. Sustainable development has several elements that may be realised via the efforts of organisations and individuals in many ways. The MSME sector is one of the sectors with the greatest potential to influence the advancement of most of these objectives. MSMEs are an essential actor in this endeavour because of their operational flexibility and variety. If MSMEs grow in the next years, they will undoubtedly aid in the creation of additional jobs, the reduction of poverty, the reduction of regional imbalances, the promotion of equality, and so on.

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