



Role Of Msmes In Sustainable Development And Women Empowerpoment Through Employment Generation – A Study Of Uttarakhand

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ABSTRACT

The Agenda for Sustainable Development 2030, which includes the Sustainable Development Goals (SDGs) and goals, represents Member States' collective pledge to free humanity from poverty, ill health, and unsustainability. In terms of economic growth, job creation, and poverty elevation, reduction in inequality, Micro, Small, and Medium Enterprises are widely recognised as key contributors to preserving sustainable development. MSMEs, often known as "growth engines," are critical for developing nations' economies, such as India's, since they have the ability to create a large number of jobs. This sector has piqued policymakers' interest since it is labour-intensive and has the ability to alleviate regional disparity, guarantee financial autonomy for rural people, and aid in long-term development. Micro, Small, and Medium Enterprises (MSME) in India are widely regarded as critical to the country's economic progress in the twenty-first century. The present paper will concentrate on the MSME market situation and trends in India. This essay examines the MSME sector's present state, its performance, and the challenges it faces in the Indian economy. This essay also examines the MSMEs industry in the state of Uttarakhand. Due to a severe dearth of employment prospects in the state's rural parts, Uttarakhand is grappling with the grave issue of widespread migration from its high terrain. The state urgently requires inclusive and sustained industrial growth throughout all of its sub regions. The paper has found the correlation between investments in MSME and employment generated by MSME sector in Uttarakhand. The paper have also analysed the role of women entrepreneurship in MSME sector. The analysis was carried out with the help of secondary data obtained from the MSME Annual Reports, the Directorate of Industries of Uttarakhand, and other government reports, periodicals, and research papers.

Keywords: Sustainable Development, women entrepreneurship, Employment, MSMEs, Investment

INTRODUCTION

Over the past 50 years, the Micro, Small, and Medium Enterprises (MSME) sector has developed into a vibrant and active component of the Indian economy. It makes a substantial contribution to the economic and social advancement of the nation by encouraging entrepreneurship and providing a vast array of employment opportunities at a capital cost that is second only to agriculture.

India is a developing country with a large number Micro, Small and Medium Enterprises that have a less capital investment. These businesses aren't up to par when it comes to meeting international quality standards. Despite this, many businesses employ a big number of people. MSMEs have several challenges in the areas of raw materials, financing, and marketing, among others, and their failure has a substantial influence on the Indian economy. During the pre-liberalisation and post-liberalisation periods, the Indian government has adopted several measures and policies to strengthen this industry and boost job possibilities.

The Indian economy is focused on MSMEs as a means of achieving sustainability through utilising locally accessible resources for manufacturing, labour-intensive processes, and resettlement. The policies of economic liberalisation enacted in 1991 support the rise. Economic Liberalization policies 1991 promote the steady growth rate of Industrialization in India. Various central Ministries and department have triggered the growth rate of MSMEs by continuing their efforts. In Twelfth Five Year Plan 9.5% growth rate was estimated by the planning commission to achieve the 9% GDP growth rate.

The Government of India approved the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 on June 16, 2006. The goal of this act was to make it easier for MSMEs to grow and compete. According to the MSMED Act, MSMEs in 2006 are divided into Manufacturing Enterprises and Services Enterprises. On July 1st, 2020, the new categorization came into force. Prior to the MSMED Act of 2006, MSMEs were classified according to investments made in machinery and equipment. Units in manufacturing and services received varied treatment. It was also quite modest in terms of financial limitations.

There have been significant changes in the economy. The Aatmnirbhar Bharat package announced a change to the MSME classification standards on May 13, 2020. This was done to establish an impartial classification system, be realistic with time, and facilitate business. A new composite criterion of classification for manufacturing and service units was

consequently unveiled on June 26, 2020, along with composite criteria guidelines to support present and future entrepreneurs.

The new standards are anticipated to have a number of positive effects that will help MSMEs develop. Additionally, it has been agreed that the limits of turnover for any type of MSME units, whether micro, small, or medium, would not include the turnover related to exports. This is yet another step in the direction of business convenience. This will promote investment and increase employment in the MSME sector. Exporters will experience a significant respite as a result of the change in classification standards for MSMEs. With this modification to the MSMEs classification criterion, the government has also eliminated the distinction between manufacturing and services.

State governments are primarily in charge of promoting and expanding MSMEs. On the other hand, the Indian government aids state governments in their endeavours through a variety of programmes. The Ministry of MSME and its organisations' role is to support states in their initiatives to foster business development, employment opportunities, and means of subsistence while also enhancing MSMEs' competitiveness in the ever-evolving economic landscape.

MSMEs AND SUSTAINABLE DEVELOPMENT

MSMEs help to boost the economy and GDP. MSMEs are the most common type of business in OECD countries, and they contribute significantly to economic growth, accounting for between 50 and 60 percent of total value added. MSMEs account for up to 33% of GDP in developing countries.

In most nations, regardless of economic levels, MSMEs account for more than 50% of GDP when taking into account the contribution of informal businesses. MSMEs are able to encourage entrepreneurship and fair labour practises in addition to creating jobs. MSMEs contribute up to 45% of all employment in emerging market economies and are tied to the Sustainable Development Goals. MSMEs have gradually increased employment globally over the past few decades. In 132 countries, the total number of full-time MSMEs employees increased from 79 million to 156 million between 2003 and 2016. Evidence suggests that MSMEs may be responsible for up to 90% of employment in thirteen Sub-Saharan African countries. Sectors that require a lot of labour and are low-skilled, including light manufacturing and services are common places to find MSMEs.

MSMEs are typically found in low-skilled, labour-intensive industries such light manufacturing and the service sector. On the other hand, jobs offered by MSMEs may be less secure and pay less than those offered by large firms. Therefore, despite accounting for a sizable portion of employment, MSMEs might not provide chances for decent employment

under ILO standards. Nevertheless, they have the ability to advance respectable work standards and job prospects when appropriately supported.

MSMEs can revitalise disadvantaged communities and promote economic integration. Small businesses serve communities, populations, and markets that are too niche to draw larger organisations. According to research, smaller businesses are better at reviving the local economy because they spend more of the money they earn there.

MSME SECTOR IN INDIA

Through their creative business methods, Micro, Small, and Medium-Sized Enterprises (MSMEs) have greatly contributed to the expansion of entrepreneurial endeavours. By creating a broad range of products and services to satisfy the needs of both domestic and international markets, MSMEs are expanding their economic influence.

Statistics from the Central Statistics Office (CSO), M/o Statistics & Programme Implementation show that from 2014–15 to 2017-18; the MSME sector contributed the following amounts to the country's GVA and GDP at current prices:

Year	Total MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	All India GDP	Share of MSME in All India GDP (in %)
2014- 15	3658196	-	11504279	31.80	12467959	29.34
2015-16	4059660	10.97	12574499	32.28	13771874	29.48
2016-17	4502129	10.90	13965200	32.24	15391669	29.25
2017-18	5086493	12.98	15513122	32.79	17098304	29.75

Source: (MSME, 2019-20)

MSME IN UTTARAKHAND

Uttarakhand is the Republic of India's 27th state. The MSME plan, created by the Uttarakhand government, intends to support small enterprises, lessen emigration, and advance the state overall, especially in the isolated and flood-affected hill regions. A few incentives are

provided under Uttarakhand's MSME policy, including interest subsidies, VAT reimbursements, and capital investment subsidies. Although the incentives may be used until March 31, 2025, it was still in effect as of March 31, 2020.

According to Rajeevan N., Sulphrey M.M., and Rajshekar S. (2015) in their study showcased that India has been fostering the growth of SMEs through a variety of policies and programmes since gaining independence in 1947. These factors greatly expanded the number of businesses and employment in India's SSIs/MSMEs sector and discovered that compared to the registered sector, the unregistered sector has had superior growth in terms of businesses and jobs. All Indian states, with the exception of Manipur and Mizoram, have had better employment development in the unregistered sector than in the registered industry. The Independent Sample t test they conducted also reveals a sizable difference between the mean employment generated over these two-time periods. Thus, it can be concluded that India's MSMEs continued to perform effectively in creating jobs even after the implementation of policies for globalisation and liberalisation.

Achievements and Challenges of MSME in Uttarakhand

1,814 MSMEs registered on the Udyog Aadhaar Memorandum, 2,469 projects with a total employment component of 14,050 people, and a total budget of Rs.38.94 crore. Under the Prime Minister Employment Generation Programme (PMEGP), 12,398 credit proposals totalling Rs. 547.45 crore were approved without the need for collateral. 31 MSMEs Provided Rs.5.51 Cr. in Credit-Linked Subsidies for Technology Upgrades, 24 ISO 9000/14001/HACCP Certification Reimbursed 14 Vendor Development Programs A total of 1,778 people have been trained as part of the Entrepreneur Development Program. Under the Bar Code Scheme, 25 SMEs have benefited. In Tool Room and Technology Institutions, 18,325 people were trained, and 667 units were aided (dcmsme.gov.in).

Among the selected sample micro enterprise units from the three-sample district of Kumaon region of Uttarakhand, 61.08 percent sample micro enterprise unit were established in urban area and 38.92 percent were established in rural area.

Vineeta Mehta (2018) only 6.25 percent of the sample micro business units observed throughout the survey had no serious difficulties. While a high percentage of the sample micro company units (about 94 percent) were experiencing serious challenges with marketing, raw materials, and finance, among other things. During the study, the majority of sample, micro business units (22.80%) were experiencing numerous serious issues. An analysis of the data received from the District Industries Centres shows that most DIC registered micro enterprise units were either established in the main city or in the nearest block of district industrial centre (DIC) and DICs are not achieving their object of industrial development in the rural, remote and backward area.

The registered sector's growth rate is just 13.74 percent, while employment growth is 51.04 percent, according to the Fourth Census. Unregistered businesses make up a large portion of

India's SSIs/MSMEs industry. According to the fourth census, this sector accounts for 94.02 percent of all businesses and 84.37 percent of all jobs created.

Some of the common problems as highlighted by Virk, Negi, 2019 faced by the MSMEs in Uttarakhand can be observed as follows:

1. Due to unequal geographical characteristics, there is an issue with selling in the state.
2. Inadequate infrastructure, outdated technology, and a slew of laws and regulations.
3. Lack of research and development, as well as a lack of effective skill development among the state's young.
4. In the MSME sector, there is a lack of financial advantages and capital investment, as well as a scarcity of energy resulting to high energy costs.

As the prime minister noted earlier in the document, MSMEs may confront several difficult conditions, such as a lack of finance facilities, market access challenges, infrastructure challenges, barriers to people and technology access, environmental hazards, and the issue of effective regulation.

Mehta, Vineeta (2018) studied 285 sample micro enterprise units have been taken from the three-sample district Almora, Nainital and Pithoragarh. During survey finance, marketing and raw material, etc related various major problems have been identified which were directly affecting the performance of sample micro enterprise units. Except these major problems some other problems like lack of entrepreneurial skill, awareness, knowledge and information etc have been identified through the conversation and observation of sample micro enterprise and entrepreneurs during the survey. During the survey only 6.25 percent sample micro enterprise units found which were not facing any major problems. While a large proportion of sample micro enterprise units around 94 percent were suffering marketing, raw material and finance, etc various major problems. During survey maximum (22.80 percent) sample micro enterprise units were facing the multiple major problems.

In the Kumaon region of Uttarakhand, 61.08 percent of the sample micro business units that were chosen were developed in urban areas, and 38.92 percent were established in rural areas.

An analysis of the data received from the District Industries Centres shows that most DIC registered micro enterprise units were either established in the main city or in the nearest block of district industrial centre (DIC) and DICs are not achieving their object of industrial development in rural, remote and backward area.

Lahiri, Banerjee (2019) in their study emphasized that the role of branding in the Indian MSME sector needs to be studied in a holistic view and not just from a marketing standpoint,

as the problems of MSME branding are multifaceted and complex. 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.

An overview of the literature states that a number of studies have been undertaken related to MSMEs in India and Uttarakhand, but there is no evidence that any of the earlier research not studied in the relation of investment in MSMEs and employment generation. Therefore, keeping this in view the present research has been taken to study the current Role of MSMEs in Employment Generation of women entrepreneurs in Uttarakhand.

The MSME sector, formerly known as Small-Scale Industries, has been the subject of four all-India censuses to date (SSI (Small Scale Industries)). In the fourth all-India census for MSME, statistics from Uttarakhand State revealed that 23.89 percent of the 34403 registered units were found to be closed.

The review of literature reveals that while MSMEs have proven their potential for bringing in economic and social growth in an economy. In addition, its geographical isolation, the chronic insurgency problem and the terrain discourages potential investors from investing in the state. MSMEs on the other hand do not require huge capital but generates employment opportunities within a short period. The size and diversity of activities of MSMEs makes them highly adaptable, provided the environment in which they operate facilitates their growth and development. The research is, therefore, proposed to identify and study the problems encountered by such enterprises so that measures can be taken to support and assist them.

Role of women entrepreneur in MSMEs

Women who work in industrial activities like manufacturing, assembly, manual labour, repairs/service, and other endeavours are referred to as "women entrepreneurs." Women entrepreneurs are defined as single people or groups of people that launch, plan, and run a business. It is expected of women to create, mimic, or modify economic activities. Women must initiate, copy, or adopt an economic activity in order to be considered entrepreneurs.

Entrepreneurship is the backbone of a country's economic success since it creates new job opportunities. Entrepreneurship has become a source of inspiration for the business sector all around the world. Without the participation of women, who make up roughly half of the population, in entrepreneurial activity; the country's economic growth would be imbalanced. Despite being roughly equally numerous, women have very diverse economic circumstances. Investigating the root causes of economic inequality and coming up with plans to advance women's status is thus vital.

The largest populations of educated young people are found in all of these Asian nations, especially India. The Indian government has promoted the expansion of entrepreneurship through a variety of programmes, including Skill India, Make in India, and Start-up India.

Essentially, Indian women have only had one career: marriage. However, they are now being transferred to teaching, professional careers, office jobs, nursing, and medicine in the current environment. They also began to deal with engineering and business matters. Women's engagement in entrepreneurial activities is, in fact, a relatively new phenomenon. According to the Fourth All India MSME Census, the overall number of registered firms was 15.53 lakhs, with 2.15 lakhs of those being women-owned businesses. The number of women-owned businesses in the registered MSME sector was determined to be 13.85 percent (205419), whereas the percentage of women-owned businesses that were really managed by women was 10.10 percent. There are 6.95% of the units in the unregistered MSMEs are women enterprises.

Women who want to start a new spinning, weaving, or embroidery business can get equality and development assistance from a national organisation called the Small Industries Development Bank of India. Additionally, they support programmes for the growth of women's businesses and microcredit. The Small Industries Development Organization encouraged initiatives for the preparation of circuit boards, leather items, screen painting, and TV repair. A voluntary network of NGOs, self-help groups (SHGs), and individual businesses called the Consortium of Women Entrepreneurs of India was established in 2001 with the goal of assisting women entrepreneurs with technical, market, and import-export knowledge. National Bank for Agriculture and Rural Development, Self Employed Women's Association, Federation of Indian Women Entrepreneurs, and Federation of Indian Chamber of Commerce & Industry Ladies Association are further supporting organisations.

West Bengal and Tamil Nadu are physically and culturally distinct states. The underrepresentation of women in economic growth has piqued the interest of academics and policymakers alike. Uttarakhand is a state in northern India with 13 districts and two prominent regions: Garhwal and Kumaon are two major areas, each with its distinct culture and customs.

In November 2000, the state of Uttarakhand was created. The Department of Women's Empowerment and Child Welfare has total duty at the state level to establish and execute women's empowerment schemes. As the nodal body, the Uttarakhand government tasked the Department of Women's Empowerment and Child Growth with the task of planning women's policy. The Ministry, in turn, directed the draught to be prepared by the State Women's Commission, which was formed in 2003. In 2006, the Commission published the draught legislation, which was also distributed between the different women's

organizations. Currently, the Uttarakhand government conducts numerous schemes and programme, through the government departments and through NGOs to establish and motivate women.

The Governor of Uttarakhand ordered that the Unique Integrated Industrial Promotion Policy be promulgated for the hilly and remote regions of Uttarakhand to encourage industrial growth and empowerment for women in the State to drive industrialization and provide work opportunities in tandem with the organised strategy and programme.

It also boosts economic growth in the province's distant and back-hill areas by providing entrepreneurial manufacturing facilities, extending infrastructure, and enhancing market access, as well as financial assistance to entrepreneurs looking to start businesses. This leads to removing the economic backwardness of hill regions by providing resources to hire and manage brain loss from these places. In the face of unequal geographical environments, environmental and social environments, the goal of such policies and programme, is to support and encourage the development of industries with a planned and synchronized industrial growth centered on local capital, to recognize industrial activities in the processing, distribution and service sectors and to develop and prescribe the limit of the quantum of the grant in aid and other facilities.

Gender-based Roles in MSME Sector

Lenka and Agarwal (2017) gathered a sample of established women entrepreneurs from Uttarakhand's north-eastern area. During the months of November 2014 and January 2015, selected female entrepreneurs were approached. Personal contacts or referrals were used to create the sample of female entrepreneurs. Entrepreneurs aid in the creation of jobs and the expansion of a country's economy. They discovered that non-governmental organisations (NGOs) have aided women's development as self-assured persons. They've linked women-run small and medium businesses to government-run projects to better their understanding of government policies and programmes.

They are malnourished, have terrible health and death rates, and have a low social position in India (Census, 2013). These hurdles to venture development can be mitigated by government, NGOs, and supporting entities' education, training, attitude changes, awareness campaigns, and counselling. Women's development and progress are receiving a lot of attention. A shift in society's attitude toward women is necessary.

Uttarakhand's women have potential and skill to make a difference in their communities, and they put in a lot of effort. Her unfulfilling activities, on the other hand, have only contributed to erode her optimism and self-esteem. Women in this profession are actively involved in economic activities, and their initiatives must be welcomed since it is the only way for them to be socially, politically, physically, and economically motivated. Under the current circumstances, social and cultural psychological strength will strengthen their position, while economic assistance will enable them to make autonomous decisions and stimulate entrepreneurship if they so want.

In Uttarakhand, on the other hand, women are mostly breadwinners. As a result, women in the State are often hesitant to take financial risks and establish a business because they are afraid that if their business fails, they will be unable to provide food, clothes, and shelter for their family.

As a result, they are more afraid of disappointment than those who live in the mountains. Male members of their groups, on the other hand, are more likely to make economic decisions. As a result, they are afraid of ruining their marriages and friends if they succeed in their careers.

Role of MSME in employment generation

"The area wise difference is significantly higher among girls compared to boys, four times more in the hills districts vis-à-vis the plains districts and more than double in urban areas as compared to rural areas.

Year Wise Performance of MSMEs in Haridwar

Year	MSME units (In numbers)	Investments (Rs. In lakhs)	Employment (In numbers)
2014-15	505	19704	3282
2015-16	260	10189	2205
2016-17	535	25341	4489
2017-18	567	17950	6884
2018-19	810	48585	10891

Source: Directorate of Industry and Commerce. Government of Uttarakhand (Up to Dec. 2018)

Role of women Entrepreneurship:

Women are more likely to be aware of the potentials for sustainable economic and societal development in the country compared to men. Males represent the majority of the

ownership status (owners), and women make up the majority of an entrepreneur's prospective workforce for environmentally friendly company operations.

Worldwide, women face considerable social restrictions on their ability to work in agriculture, as well as poverty brought on by rural feminization. Studies on women's participation in agriculture have shown that they are not given equal opportunities for empowerment despite their significant contributions to eco-friendly rural business, specialised knowledge, and highly trained labour in sectors of agricultural and rural development. Due to time distribution, various responsibilities, and triple duty, inflexible gender construction severely restricts women's productivity, which is the root cause of inequality.

Additionally, their perforation with males keeps expanding despite their laborious work. Rural women are increasingly more likely to be the poorest and most in need. Women's limitations result from the facts that they are more likely to perform unpaid work, work in low-paying jobs, earn less than men for the same work, receive a smaller part of household income, and prefer to take care of the basic needs and necessities of the family.

Personal, social, and environmental motivating variables all play a role in entrepreneurial learning. Extrinsic and intrinsic influences are two types of personal motivators. These are self-motivating variables that encourage a person to study and acquire skills in order to improve a company's success. Intrinsic motivating elements encourage the development of self-identity and the maintenance of a healthy work-life balance. Previous and current job experiences, as well as business education and training, are extrinsic motivators.

CONCLUSION

It may be argued that a more supportive policy environment is required to foster successful MSMEs that contribute considerably to Uttarakhand's overall socio-economic progress. To reduce their restraints and provide better conditions for their development, innovation, and R&D activities, the government should provide more effective policy supports. According to studies and statistics, the growing participation of women entrepreneurs in the MSME sector has had a substantial impact on the industry's success. MSMEs help women gain access to important knowledge, skills, new markets, new technology, and financing, as well as encourage co-operative enterprises, resulting in improved performance in this area. Weak governance, poor connection, a lack of expertise, and a low level of research and development in creative skills have all had a negative impact on the sector's success. Despite a slow but steady growth in the MSME sector, problems such as difficulty raising capital, demands from informal groups, dishonest handling of subsidies, insufficient power supply, unavailability of machines/equipment, and a shortage of skilled labour are some of the major issues affecting MSMEs in Uttarakhand, according to the study. MSMEs are not just a temporary answer until

better employment possibilities are discovered, but also a long-term answer for individuals and society's growth and development. This study makes the case that additional research is necessary to fully grasp the potential of small businesses and enterprises in Uttarakhand because the MSME sector should be able to play a significantly more substantial role in decreasing restrictions in the state's MSME sector.

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