

MSME's as major drivers of sustainable development, role and growth aspects for entrepreneurship development in Indian context

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Abstract:

Today certainly micro, small and medium enterprises (MSME's) have emerged as an important and also vibrant segment in Indian economy. Besides this sector is also playing an important role in the economic development of India as it employs large number of population after agriculture sector. The sector also creates one third of overall exports revenue contributing about 8% of overall GDP and also helps in achieving various objectives such as promotion of exports, higher growth of employment output, fostering entrepreneurship opportunities etc. Since the publication of the Brundtland Report, which represents a milestone in triggering awareness for sustainability issues, sustainable development has steadily gained popularity to become one of the most important environmental discourses today. Together with innovation, the United Nations identified entrepreneurship as a key element for addressing sustainable development challenges. There is a statistically significant relationship between taking action related to sustainable business in the company and manager's conviction (awareness) regarding the concept of sustainable business development as well as the influence of the manager on employees and the stimulation of their behaviour, including their development, decent treatment, communication with the manager, and the system of rewards and promotions. Managers undertake some action aimed at developing their employees. They also establish relationships with external stakeholders. The main advantage and role played by this sector is employment potential low capital, MSME's sector do contribute to the overall development of the country but they also face a number of challenges like high cost of raw materials, collateral requirements,

increased fuel prices, competition from domestic and foreign markets, lack of credit facilities from financial institutions etc. Due to financing problems every day around 79 MSME's are falling in sickness, the government has taken many initiatives for this sector in this regard but problem still persists. The present paper investigates the performance indices of MSME's and also future role played by MSME's in the economy and other various steps taken by different parties in promoting MSME's in India.

Keywords: Micro small and medium enterprises, entrepreneurship, economic development, employment potential, exports revenue

Introduction:

MSME's certainly is an integral part of Indian industrial sector. The distinctive feature of Micro, small and medium enterprises are less capital investment and high labor absorption which has certainly created unprecedented importance to this sector. The sector however plays an important role to alleviate poverty and also propel sustainable growth as well as equitable distribution of income in India. By implementing labor intensive production processes MSME's do play an important role in effectively allocating enormous labor supply and scarce capital. In responding quickly to changing market demand and supply conditions MSME triggers private ownership, boost entrepreneurial skills. Besides the importance of Micro, small and medium enterprises are well understood by national economies. All over the world over half to two-thirds of all businesses are MSME's and in many regions this proportion is quite much higher. MSME's are capable of creating jobs with least amount of capital and also in dispersed locations which necessarily makes it attractive to policy makers. Economic as

well as social sectors of a country are very much dependent on micro, small and medium enterprises. Besides the role played by MSME's is very much crucial for the growth and development of any economy and also the importance of this sector is well organized all over the world owing to its significant contributions in fulfilling various socio-economic objectives such as employment generation, contribution to national outputs and exports, fostering new entrepreneurship and also to provide depth to the industrial base of the economy. It can certainly also help achieve a more equitable distribution of benefits of economic growth and also thereby help alleviate some of the major problems associated with uneven income distribution. Once considered remnants of traditional sectors, MSME's and their development have now become focus of initiatives which are aimed at creating growth and employment in many developing countries. Economic and social; sectors are very much dependent on MSME's; also their contribution makes sense in current context. Again, promotional agencies certainly play a vital role in developmental aspects of entrepreneurship in India. Starting from the initial stage of finding out various entrepreneurial opportunities there indeed exists need for such promotional agencies. MSME's in the developing countries emerged in industries thus ranging from hi-tech and tiny enterprises making use of rural craftsmanship generally producing for domestic and international markets. In the past decades, different concepts have emerged, including social entrepreneurship, ecopreneurship, and sustainable entrepreneurship. The latter constitutes the most comprehensive approach to sustainability problems. Sustainable entrepreneurs aim at achieving multiple objectives and therefore integrate economic, social and environmental goals in their organizations. However, ecopreneurs, who are rather focused on the economic and environmental dimensions, as well as social entrepreneurs, have also received considerable attention by academic researchers. The sustainable development of the sector is vital to the economy and is a prerequisite to achieving economic growth for at least a few reasons. Firstly, small and medium-sized enterprises create six out of ten workplaces.

Secondly, SMEs are leaders in the industry transformation from traditional forms of production to advanced technologies. Thirdly, SMEs play an important role in developing innovation, whose aim is to improve their competitiveness. Organisations in this sector also contribute to the development of the global market. Innovation plays a significant role in enhancing the competitiveness of SMEs, which is conditioned by competencies, in particular, that of managers

Definition of Micro, medium and small enterprises:

In accordance with the major provision of micro, small and medium enterprises act 2006 has classified MSME's into two categories:

- a) Manufacturing enterprises: Refers to those enterprises engaged in the manufacture or production of goods relating to any industry specified in the first schedule to industries (According to development and regulation act, 1951)
- b) Service enterprises: These enterprises are engaged in providing or rendering of services in terms of investment in equipments

MSME units producing goods and rendering services will be defined in terms of annual turnover, as mentioned under:

- Micro enterprises will be defined as a unit where the annual turnover does not exceed Rs.5 crore
- A small enterprise will be defined as a unit where the annual turnover is more than Rs. 5 crore but it does not exceed Rs. 75 crore
- A medium enterprise will be defined as a unit where the annual turnover is more than 75 crore but does not exceed Rs. 250 crore
- Additionally, central government may by notification vary turnover limits, which shall not exceed thrice the limits specified in section 7 of the MSMED Act

Manufacturing Sector

Enterprises	Investment in Plant and Machinery
Micro Enterprises	Less than 25 lakh
Small Enterprises	More than 25 lakh but does not exceed 5 crore
Medium Enterprises	More than 5 crore but does not exceed 10 crore

Service Sector

Enterprises	Investment in Equipments
Micro Enterprises	Less than 10 lakh
Small Enterprises	More than 10 lakh but does not exceed 2 crore
Medium Enterprises	More than 2 crore but does not exceed 5 crore

Growth of MSME's in India:

Today nearly about 8% of the country's overall GDP is contributed by Micro, small and medium enterprises (MSME's). They are widely dispersed across the country and also produce a diverse range of products and services to meet the needs of local markets, Global markets and National as well as International value chain. Besides 31.79% of the enterprises in the MSME sector is engaged in manufacturing whereas 68.21% of the enterprises in engaged in service units.

Some of the key MSME statistics is mentioned below as follows:

- Number of MSME's in India: The number of MSME's in India is estimated to be at 42.50 million which comprises of registered and unregistered MSME's together accounting to a staggering 95% of total industrial units in the country
- MSME and employment opportunity: It employs about 106 million out of which 40% is of India's workforce itself next only to the agricultural sector
- Products of MSME's: It produces more than 6000 products
- GDP Contribution: Currently it contributes around 6.11% of the manufacturing GDP and 24.63% of the service sector GDP
- MSME output: 45% of the total Indian manufacturing output
- MSME Exports: 40% of the total exports

- Bank Lending rate: MSME's account for almost 16% of bank lending
- Fixed Assets: Current fixed assets is at INR 1,47,1,912.94 Crore
- MSME Growth rate: It has maintained an average growth rate of over 10%

MSME's and sustainability:

When applied to the corporate world, sustainable development implies the adoption of stratagems and actions that fulfil both the business needs and the current and future societal expectations (Ayuso & Navarrete-Báez, 2017). The corporate sustainability is a multi-faceted perception having three dimensions: environmental, social, and economic. The economic dimension of sustainability implies that a company having appropriate cash-flow must guarantee liquidity along with a substantial return to stockholders, whereas environmental dimension necessitates the company to have a positive environmental impact by preserving the stability of the environmental system and protecting natural resources. Social dimension encompasses contribution to the community to have a positive social influence through ways of incrementing value to the human capital. Companies should implement an all-inclusive purview of sustainability in approaches, as an accomplishment in a single of these dimensions will not help in long-term sustainability (Günerergerin et al., 2012).

Major government initiatives to boost and enhance MSME sector in India:

- a. Credit Guarantee Fund trust for Micro and Small Enterprises (CGTMSE): The major objective of this scheme is to make available collateral free credit facility to new and existing Micro and Small businesses subject to a sum of Es. 100 lakh per unit. Also
Performance indices during 2016-17 indicate that around 3,142 MSME units have been benefitted with an overall expenditure of Rs. 203.76 crore. Since inception of this scheme around 22, 380 units have been benefitted with an expenditure of Rs. 1349.63 crore
- b. Lean Manufacturing (National Manufacturing competitiveness programme): The major objective is to make accessible the use of various Lean manufacturing techniques to MSME's and thus improve their manufacturing competitiveness. According to 2016-17

the performance indices indicate that around 670 units have been benefitted with an expenditure of Rs. 11.26 crore. Performance since inception says that around 3041 units have been benefitted with an expenditure of Rs. 45.26 crore

- c. Intellectual Property Rights: Major objective here is to enhance competitiveness through increased awareness of IPR. Performance indices during 2016-17 says that around 26 awareness programs were held, around 05 workshops were conducted and 03 IPR felicitation centres were provided with an overall expenditure of Rs.1.73 crore
- d. Marketing development Assistance (MDA) Scheme: The major objective is to help and also encourage MSME's to tap and develop overseas market. Performance since inception says that around 1476 units have participated in MDA assistance and expenditure outlay is around Rs. 28.76 crore

Below figure showing the Composition of major sectors in which Indian SME's operate (Percentage wise)

Composition of major sectors in which Indian SMEs Operate (%)



* Except of motor vehicles & motorcycles; repair of personal & household goods
Source: Ministry of Micro, Small, and Medium Enterprises

Major challenges faced by Indian SME's:

Many SME's are reluctant to grow thus resulting in reduced productivity. Some others cling firmly to the

concept of staying small and comfortable thereby trying to avoid regulatory and taxation related hurdles. Those of the SME's which choose to grow have different set of problems to deal with starting

mainly with financing. Due to high interest rates over 15000 listed and unlisted companies from diverse sectors such as textile, agriculture, power, IT and ITES a common trend showed that SME's exposure to bank credit was drastically falling. Another major reason to shun bank credit originates mainly due to repayment timelines. While it is observed that most of the big companies who buy from SME's get an interest free repayment timeline for 120 days, SME's get only 60 days to pay back their interest loaded bank loans. This is one of the major reasons as to why most of the SME's now have chosen to reduce their exposure to bank credit. In addition to this, individual sectors do face their own challenges. Real estate for example has shown a slowdown in the last few years after a decade of growth. Besides, exports have also seen a quarter on quarters reduction as demand has been slowing in many European countries and disturbances in Wes Asian countries have also caused the tables to turn unfavorably for SME's. As the companies are not market leaders in their segments, they are quite unable to hold a bargaining power in price battle. While coping with reducing profit margins they struggle to maintain quality. Supply chain inefficiencies, global and local competition as well as insufficient skilled manpower can choke out SME's that aren't ready to take the bull by horns and create their own path for growth.

Exploring financing opportunities for SME's in India:

One of the key ways to ensure the survival of SME's is to make sure that they don't run out of financing options. Some of the new/alternative funding options for SME's are as follows"

- Foreign banks: A healthy competition can be win-win situation for most people, especially for customers. However in this case, bringing down restrictions on foreign banks on extending number of branches can work in favor of SME's who may then see influx of local banks looking out for attention. Currently foreign banks are opened to allow only 12 branches a year, however changing this to 100 can see the magic work in favor of SME's

- Debt funding: Stepping away from known banks and also exploring other debt funding options may work well for SME's. Also depending on business size, age factors etc the government has formulated schemes like collateral free loans upto Rs. 1 Crore
- Equity funding: This type of funding has been a great success with startups and it generally works well especially if one plans to bring in senior management who can help in significantly improving revenue and market share over relatively short span of time
- Mezzanine debt funding: It is a mix of equity and debt funding which s now offered by domestic as well as foreign investors
- LIBOR for exports: Pre shipment and post shipment credits for exporters are available in LIBOR based regimes that offer highly competitive interest rates
- NBFC Loans: There are currently few NBFC's which currently offers debt packed PE funding for SME's
- Grants: India has developed bilateral trade ties with other countries where trade/finance associations offer grants to proven sectors to gain advantage from their growth

Review of literature (Thematic Analysis)

The thematic analysis is done to identify essential drivers associated with sustainable practices in an SME context. Two major building blocks that emerged are external and internal drivers. Sub-coding was done on each of these drivers to find out their constituents. A detailed description of identified drivers, under each heading, is presented below

External Drivers

The external drivers are critical reasons for SMEs to inculcate sustainability practices; Studer's (2006) research indicated that in the absence of external pressure most of the SMEs are unwilling for environmental engagement. The current study found two main external drivers- stakeholders, and tangibility of the business sector of the SMEs. The Stakeholders include Government, customers, networks and alliances, suppliers, communities, and competitors. Here, is a brief description of each of these:

Government

Government is found to be a major external driver which influences the behavior of SMEs primarily through regulation, legislation, economic and structural support, and knowledge dissemination. Gandhi et al. (2018) research findings explain that support of the Government is extremely significant for a successful deployment of lean-green paradigms. Cambra-Fierro and Ruiz-Benítez (2011) say that the sustainable practices are primarily motivated by legislation. Zhang et al. (2009) write, "Regulation may be the most appropriate mechanism to improve the environmental performance of small firms". High fines and penalties, in case of noncompliance with regulations forces SMEs to adopt sustainable practices (Sáez-Martínez et al., 2016). Along with the legislation and regulation, incentives in the form of loans, grants, tax concessions and other economic benefits facilitate easy adoption and behavioral change in SMEs towards sustainable practices (Gandhi et al., 2018; Revell et al., 2010).

Customers

Existing studies provide much evidence that customers influence the behaviour of SMEs towards sustainability through green demand, compliance-driven demand, and the dynamics of buyers organisations. It has been strongly argued from different scholars that the proactive demand of green products, processes, and services leads to the development of environmental practices in SMEs (Battisti & Perry, 2011; Lee, 2009; Sáez-Martínez et al., 2016; Shields & Shelleman, 2015; Studer et al., 2006). Spurred by buyers' support, many SME suppliers have undertaken improvement initiatives that lead to efficient energy and resource management and reduced their footprints (Lee & Klassen, 2008). Few works have mentioned that buyers are demanding that the SMEs should have ISO 14001 certification to be a recognised supplier (Gadenne et al., 2009; Günerergin et al., 2012; Lee & Klassen, 2008).

Network and Alliances

The SMEs owners and managers show a positive attitude towards networks in local business and environmental agencies which play an important role in building cooperative relationship and trust needed for collective actions to solve ecological problems

(Revell, 2010). SMEs are appositively impacted by dissemination of knowledge on environmental practices and cost-benefit advantages (Gadenne, 2009).

Suppliers

Lee (2008) argues that SMEs have participated in greening supply chain depending on their supplier's readiness. The inclusion of green procurement policies and environmental criteria by SMEs into their supplier selections has created a significant change (Lee & Klassen, 2008). In case of China, supply chain pressure existed more for those SMEs who had internationalized their operations rather than domestic ones; the former ones presented an improved social or environmental performance and motivation towards sustainable practice (Yu, 2007). Ghadge et al. (2017) highlight that suppliers are a significant driving force for the SMEs in their motivation to green the supply chain networks in the Greek dairy industry

Community Surrounding

The community is a major motivation for SMEs in various countries to adopt sustainable practices. In Australia, the environmental pressure groups were one of the major forces that made SMEs take up environmental sustainability in their practices (Williams & O'Donovan, 2015). In the case of China, raised environmental awareness and demands of the local community pressurized SMEs to promote environmental practices performance (Zhang et al., 2009). A public demand emerged as a second major driver for sustainability practices among SMEs in the UK in the work of Jansson et al. (2017). Civil society agencies and institutions had helped Thailand's agro-based SMEs to improve environmental performance (Wattanapinyo & Mol, 2013). In Indian scenario, local administrations, media, local communities, and NGOs were among top 15 drivers for adoption of green manufacturing practices in Indian SMEs as per the study by Gandhi et al. (2018).

Competitors

Lee and Klassen (2008) say that the suppliers change the materials in their products after studying the new trends about products of their competitors in worldwide markets to establish objectives for greater recyclability, formal procedures for the

environmental performance of their new product development processes and introduce environmental safety and recyclability as criteria for product performance. In a particular case of Italy, it was found that the competitor's behaviour drove the SMEs to adopt environmental management practices as they did not have internal abilities to interpret market dynamics (Testa et al., 2016).

Tangibility aspect of the business sector

So far, we have discussed various stakeholders as the drivers of sustainability practices in SMEs. However, it should be noted that the environmental practices of the SMEs also depend upon tangibility of the sector in which they operate. Tangibility here refers to products and services offered by SMEs. As per Uhlaner et al. (2012), the tangibility of business sector has a great effect on adoption of green practices; greater the tangibility of the sector, more the SMEs will introduce the environmental practices in their system. A study by Hoogendoorn (2015) showed that SMEs are more dedicated to implementing pro-environment processes and offer green products & services in high tangibility sectors.

Internal drivers

Another set of drivers that impact the sustainability practice of SMEs are internal drivers. They comprise of employees, organisation culture, brand image and reputation, competitive advantage and strategic intent, environment management capability, and size of the firm. Here, is the brief description of each of these.

Employees

The employees are found to be influencing SMEs in their orientation towards sustainability. Zhang (2009) writes that one of the crucial factors in promoting SMEs to adopt environmental practices is the demand from employees. Masurel (2007) highlights that working conditions for employees is the most important motivation for SMEs to invest in ecological measures. Some SMEs identify that in Greek food supply chain, investor's impact environmental performance of SMEs by influencing their decisions via raising environmental consciousness (Ghadge et al., 2017). Uhlaner et al. (2012) say that family stakeholders in SMEs pressurize for pro-environment practices as they want

to maintain their reputation for the company as well as family too.

Organization culture

It includes personal values and ethics of owners and managers, moral and social responsibility, management support, and knowledge management. The company's values drive corporate environmental responsibility in SMEs. As per Font (2016), habit and lifestyle of SME owners affect sustainability activities in SMEs. The personal commitment of managers of SMEs for pro-environmental attitude was key to their performance (Koe et al., 2015). SMEs perceive environmental sustainability as their moral and social responsibility towards their stakeholders as well as the natural environment (Wahga et al., 2017). As per Gandhi (2018), top management commitment is the most critical driver in the successful implementation of Lean Manufacturing and Green Manufacturing practices. The social responsibility and ethical concerns of the top managers drive environmental practices (Johnson, 2015; Lee, 2009; Shields & Shelleman, 2015; Thanki & Thakkar, 2018). Organizational culture is one of the major drivers towards sustainability practices in SMEs (Cambra-Fierro & Ruiz-Benítez, 2011; Ghadge et al., 2017; Uhlaner et al., 2012; Wahga et al., 2017).

Brand image and reputation

Many researchers consider corporate image to be a key driver for environmental performance of SMEs (Agan et al., 2013; Battisti & Perry, 2011; Gadenne et al., 2009; Ghazilla et al., 2015; Masurel, 2007; Sáez-Martínez et al., 2016; Studer et al., 2006; Yu, 2007). Social capital drives SMEs and thereby improving their reputation as an ecologically responsible firm in the market for economic gains, legitimizing their existence, attracting customers, increasing their sales, and satisfying their external stakeholders (Wahga et al., 2017; Font et al., 2016). SMEs wish to improve their green public image, demonstrate environmental stewardship, and green brand image via environmental activities (Battisti & Perry, 2011; Cambra-Fierro & Ruiz- Benítez, 2011; Gandhi et al., 2018; Lee, 2009; Revell et al., 2010; Roy et al., 2013).

Competitive advantage and strategic intent

Gadenne (2009) found that SME managers could undertake sustainability practices in their economic self-interest. The multitude of benefits regarding cost reduction, waste reduction, recycling, differentiation, etc. provides a competitive advantage to SMEs which motivates them to adopt sustainability actions (Battisti & Perry, 2011; Font et al., 2016; Gadenne et al., 2009; Lee, 2009). Incentives such as long-run financial and market position payoffs acted as a strategic motivator for medium-sized firms to environmental engagement (Jansson et al., 2017).

Environmental Management Capability (EMC)

The environmental management capabilities (assets, skills, and technologies) support the SME to respond more decisively and timely to several environmental demands of stakeholders. SMEs with greater environmental experience, i.e. development of internal environmental management capabilities within them leads to better and proactive response towards sustainability practices related to organizational performance (Sáez-Martínez et al., 2016). The robust resource base is an important capability for environmental practice (Shields & Shelleman, 2015). As per Thanki & Thakkar (2018), the organizational capability is a crucial critical success factor for enhancing environmental and operations performances of SMEs leading to sustainability.

Size of firm

As per Reyes-Rodríguez et al. (2016) research, size of the firm has turned out to be a significant motivator for environmental performance of SMEs. Medium-sized firms both regarding employees and turnover are more engaged in greener practices (Hoogendoorn et al., 2015). Sustainability management tools are implemented in SMEs with larger organizational size along with the positive perception of relative advantage over previous practices (Johnson, 2015).

SMEs & Technology

SMEs have been accused of living in an obsolete era in terms of technology. Access to internet, resources, virtual skilled workers and client opportunities can help them grow by leaps and bounds. They are now waking up to the fact that technology and culture of

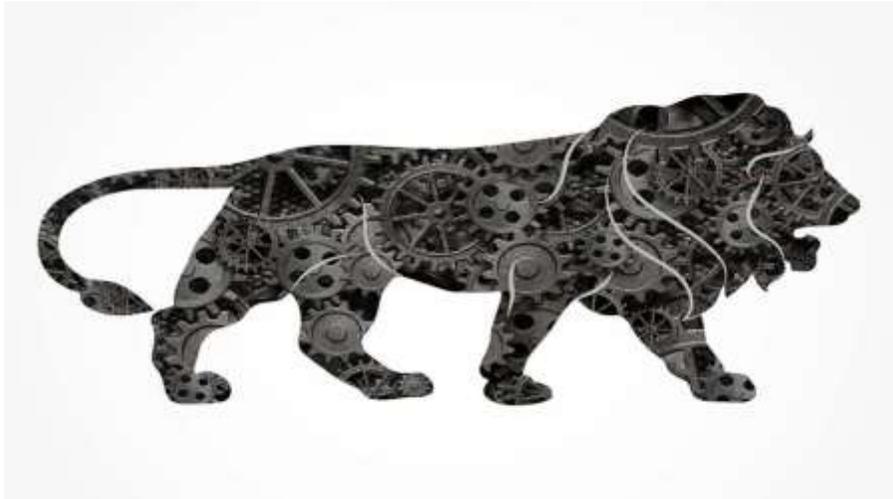
innovation can be high potential growth drivers. In a recent global study with Oxford Economics over 2300 SME executives, over 60% agreed that tech can be a key differentiator for their SME and over one third agreed that creating a culture of innovation is a top priority in their strategic growth plan.

Tech can be used in multiple spheres. It can make SMEs agile, improve innovation, fortify customer relationships and help explore new markets while reducing the cost of expansion. Specifically speaking, Big Data Analytics and MobiTech were named as the two biggest drivers of change.

- ✚ **MobiTech:** World over, as businesses move from being product-centric to customer-centric, it has become increasingly important for SMEs to focus on enterprise mobility as a key driver of innovation. Using mobile tech efficiently, helps to drive better customer experiences, especially for B2C SMEs in retail. For example, mobile apps can change the way SMEs do business. They can enable streamlining order flow, forecasting warehouse inventory & allow for better communication processes.
- ✚ **Cloud Computing:** Using the Cloud to handle a substantial chunk of their IT related aspects can be a great way for SMEs to save on IT costs, and instead use these savings to drive product innovation. This would allow SMEs to scale and gain expertise from any part in the world without having to invest in infrastructure and offices. It helps streamlining sales, inventory and financials especially for SMEs without huge capital reserves.
- ✚ **Big Data & SMEs:** Analytics can be a great way to know more about your customers, and will allow you to gain insights on what your customers are buying, how they're buying it (or not) and where exactly in the sales funnel are they dropping off. All this information can help in creating a better customer experiences and nurture leads to close sales.
- ✚ **Exclusive Telecom for SMEs:** In recent years, many telecom technologies like VoIP, WiFi and other Compression Technologies

have become affordable for SMEs. Telecom companies did take a bit of time understand the price-sensitive SME market, and have started offering technology which can implemented relatively quickly and can be upgraded on demand. One such example is a network service between branch offices which will enable SMEs to save on call costs.

- ✚ **Tech Improvements for the SME Support Systems:** It's not just SMEs that need a boost in technology, but also those who offer their services to them. Banks, for example, charge lesser for electronic/branchless transactions vs. those transactions which are conducted within branch premises.



Government's Role in Promoting SMEs

A few of the recent initiatives by Government of India have given a boost to SMEs. In a direct move to increase the GDP share of SMEs, the Government has allocated 20,000 Cr to this sector through the Micro Units Development Refinance Agency Bank (MUDRA).

Similarly, in a move to promote 'Zero-Defect' manufacturing that has 'Zero-Effect' on the environment, the Government has set up the performance and credit rating system for SMEs called the ZED rating. SMEs will be classified into bronze, silver, gold, diamond and platinum categories. The idea is to help SMEs grow bigger, gain economies of scale and improve the quality of their products. Here are some of the other popular schemes for SMEs in India.

- **Credit Guarantee Fund Scheme:** Applicable to both existing and new enterprises, this scheme provides collateral-free credit to Indian MSMEs. The ministry

in association with SIDBI established the trust that facilitates a working capital loan of up to Rs. 100 Lakh per borrowing unit

- **Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS):** The Ministry of Small Scale Industries (MSSI) created the CLCSS which provides upfront capital subsidy of 15% (max 15 Lakh) to SSI units which can be used for plant & machinery modernization.
- **Financial Assistance on International Participation:** This scheme offers funding to SMEs for participate at international trade fairs, exhibitions and also promotes sector specific market studies by industry associations. It also offers reimbursement of 75% on one-time registration fee and 75% on annual fees (recurring) paid to GSI by SMEs for the first three years for barcode. It also facilitates tech upgradation, creation of joint ventures and foreign collaborations.
- **Technology & Quality Upgradation Support to SMEs:** This scheme helps SMEs gain benefit from energy efficient

technologies and manufacturing processes to reduce their carbon footprint. It provides them with 75% expenditure to buy such technologies.

- **Mini Tools Room & Training Center Scheme:** The govt. provides grant / aid that equals to the cost of the machinery/equipment (max 9 Cr.) to create a new mini tool room and 75% of the cost if an existing room has to be upgraded. The scheme aims to create a skilled workforce which would also benefit the region in the long run.

With low investment requirements, operational flexibility and the capacity to develop appropriate indigenous technology, SMEs have the power to propel India to new heights. Imagine an India that has empowered SMEs to maximize their growth propulsion, resulting in a significant boost to the growth of India as a whole. Looking at the current trends, it's seems as if India may one day overtake China in its SME volume. However, it's crucial for India's SMEs to ramp up the quality of their product offering and transfer benefits to the end consumer. Starting a business today is a lot simpler than before. There are accelerators, incubators, investors and mentors available to handhold a business to ensure they see the light of day. The ever-growing internet/mobile penetration have opened up both the international and rural markets like never before. While the atmosphere is rife with challenges it's also ripe with opportunities. The time is right for us as a nation to sow the seeds, and build a support system, which would allow our SMEs to achieve their full potential.

Conclusion:

India's villages can be developed by encouraging entrepreneurship in rural areas. Micro enterprises have an important role to play in the generation of employment opportunities, and also in the promotion of self employment and entrepreneurship among the youth. In view of this, the Government of India is assigning significant importance to rural industrialization so that employment can be raised as well as utilization of local resources can be done to optimum. In fact, if rural development is to be

sustained then rural entrepreneurship is must. Understanding the basic characteristics of rural areas and eliminating the inherent constraints, rural entrepreneurs can go a long way in framing proper policies for promoting and developing rural Entrepreneurship. Micro and small enterprises can offer much greater service to the nation than their bigger counterparts. These rural enterprises can do miracle if they have greater capital inflows at their disposal. It is interesting to note that apart from drivers, there are certain barriers & constraints too in the implementation of sustainable practices in SMEs like the dearth of time, lack of financial resources and the perception of nil impact on the environment, low environmental awareness, weaker governmental regulation and culture too. All in all, the drivers would depend upon the context of operations of SMEs, i.e. in which sector they lie, external stakeholders in the country of operation etc. It is up to SMEs whether they want to join this collaborative effort or stick to their business as usual behaviour. This article contributes to the knowledge base of sustainability research by providing a comprehensive list of crucial drivers of sustainability practices in SMEs context. This has been the motive behind MUDRA to ease capital constraints faced by rural micro entrepreneurs and bring much more money at their disposal to grow themselves and make India grow. Micro entrepreneurs can contribute to Mr. Modi's Make in India programme through this scheme by making India a manufacturing hub of millions of small items and things and marketing them on a larger scale. However, government policies will be of no use without the participation of people. A combined effort of government, family members and total involvement of the people at the grass root level will go a long way in bringing about planned development of rural microenterprises.

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