



ROLE OF MICROENTERPRISES IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS

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ABSTRACT:

Micro-enterprises are an important part of a country's economy, and in many countries, they are the most common type of business. Their simplicity and low start-up costs make them accessible and provide income-generating opportunities for entrepreneurs from all walks of life. With the dynamic and flexible nature of micro-enterprises, they are considered an essential sector in achieving sustainable development. Sustainable development addresses humanity's aspiration for a better life by giving due considerations to environment and nature. It aims at fulfilling the development needs of the present without compromising the ability of the future generation to meet their own needs. The member states of United Nations had adopted the Millennium Development Goals (MDGs) in 2000 with the ultimate aim of reducing poverty across the globe. MDGs are the eight goals set by 189 UN member states in September 2000 and agreed to be achieved by the year 2015. The MDGs has now been replaced by Sustainable Development Goals (SDGs). The agenda for Sustainable Development Goals contains 17 SDGs and 169 targets to be achieved before 2030. In this paper, an attempt has been made to study the role of microenterprises development programs in achieving sustainable development goals.

Keywords: *Microenterprises development; Millennium Development Goals; Sustainable Development Goal.*

1: Introduction:

Sustainable Development today is one of the most discussed concept in the international development programs. The concept of sustainable development has emerged out of the fears of depleting natural resources and the consequent slowing down of the economic activities. It emerged in 1960s when people became aware of the detrimental effect of industrialization on environment. Sustainability offers long-term planning for production techniques, industrial processes and distribution policies for the exploitation of resources such as coal, oil, water etc. This long-term planning ensures their longer life span so that the greatest number of people may benefit out of it for the longest possible time frame. Sustainability also focusses on the indispensability of technological transformation toward energy saving devises for providing comforts to the citizen without bringing down their quality of life. Since people and government have started thinking and designing their development program and projects, sustainable development is also indicative of planning from below in contrast to the ivory tower planning from top.

Nature has supported and maintained life on earth since time immemorial and should continue to do so by providing a complex life support system, air, water, food and a suitable climate for survival. However we have been interfering with the sustainability of ecosystem through various activities and if continues with the same intensity,

not only the other life but also the very existence of mankind is threatened. Thus the challenge before the mankind is to determine the state in which we wish to live and continue living within the limit inherent in nature's carrying capacity. The Strategy for Sustainable Living (1991) by International Union of Conservation of Nature and Natural Resources (IUCN) says "sustainable use means use of an organism, ecosystem, or other renewable resource at a rate within its capacity for renewal". The economist Herman Daly has offered specifications for maintaining sustainability. According to him rates of use of renewable resources should not exceed regeneration rates. Rates of use of non-renewable resources should not exceed rates of development of renewable substitutes. Rates of pollution emission should not exceed assimilative capacities of the environment.

Micro-enterprises are an important part of a country's economy, and in many countries, they are the most common type of business. A micro-enterprise, is a small business with fewer than ten employees that does not require a lot of startup capital. While small in size and scale, together, micro-enterprises can represent a large portion of the economy and include independent contractors, freelancers, and small organizations. Types of business that are considered micro-enterprises include Home-based businesses, Street vendors, Carpenters, Electricians, Plumbers, Independent mechanics, Machine shop operators, Shoemakers, Small farmers, Bakery owners, Tailors and so on. To be considered a micro-enterprise, they also need a balance sheet or turnover under a certain amount. The figure varies depending on the location. Many micro-enterprises are solopreneurs or family businesses with one to two employees that provide products or services for their local communities. Their simplicity and low start-up costs make them accessible and provide income-generating opportunities for entrepreneurs from all walks of life. They add value to a country's economy by creating jobs, improving income. If this sector get adequate support it has the potential to act as an engine for growth and can contribute to the achievement of sustainable development goals.

2. Literature Review:

Midgley, J. (2008) discussed the role of microenterprise and microfinance in poverty eradication and critically considered their contribution to the Millennium Development Goal of halving the incidence of global poverty by the year 2015. He asserted that the role of microenterprise and microfinance should be put in proper perspective and viewed as a valid antipoverty resource which is most effective when incorporated into a wider set of social development policies and programmes designed specifically to address the problem of global poverty.

Chatterjee, S., DuttaGupta, S., & Upadhyay, P. (2018) examined the factors determining sustainability of microenterprises and stated that economic, political, demographic factors along with family contribution are found to be important factors in determining sustainability and success of microenterprises. The study also shows that microenterprises emerging from self-help groups (SHGs) are adding value to the society by overall women empowerment.

Basole A. & Chandy V. (2019) in their report on "Microenterprises in India: A Multidimensional Analysis" stated that India needs to invest policy attention and resources for creating and developing micro entrepreneurs who can be drivers of growth and shared prosperity. They also identified significant barriers to growth and support for microenterprises which are lack of aspiration, perception of risks, entrepreneurial mindset and skillset, access to finance, infrastructural constraints, and absence of market linkages and mentoring.

Endris, E., & Kassegn, A. (2022) in their review of the role of micro, small and medium enterprises to the sustainable development of sub-Saharan Africa observed that it is essential to unlock entrepreneurship potential through integrated multi-sectoral and sustainable approach. They asserted that policy measures should prioritize inclusive financing schemes to vulnerable and marginalized entrepreneurs and development of micro, small and medium enterprises.

3. Research Methodology:

The study is based on secondary data and is descriptive in nature. Data has been collected from reliable and published secondary sources. These sources include Journals, Magazines, Reports, Working papers, and various reliable websites that can provide relevant information for the study.

4. Objectives of the study:

- To study the Concept of Sustainable Development.
- To study the role of Micro-enterprises in achieving Sustainable Development Goals.
- To identify major problems faced by microenterprises.

5. Sustainable Development: In a wider sense ‘development’ means social and economic improvement by creating opportunities, prosperity and choices for all inhabitants of the world both present and future. It refers to a holistic growth of the human and natural environment towards autonomy and freedom. It indicates a growth pattern, which makes nations more decisive in their internal and external environment. In 1983, the United Nations General Assembly set up the World Commission on Environment and Development (WCED) with the Norwegian Prime Minister Mrs Gro Harlem Brundtland as the Chairperson (Brundtland Commission). The Commission’s report was published as *Our Common Future* (1987). It defines Sustainable Development as “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. The direct consequence of the Brundtland Commission’s Report was the United Nations Conference on Environment and Development also known as the Rio Conference held in Rio de Janeiro, popularly known as ‘The Earth Summit’ (1992). It was declared in this conference that ‘the right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.’

5.1. Millennium Development Goals (MDGs):

The United Nations Millennium Development Goals (MDGs) are the eight goals and fifteen targets set by the 189 UN member states in September 2000 and agreed to be achieved by the year 2015. The Millennium Declaration was signed by the international leaders as commitment towards combating disease, hunger, poverty, illiteracy, discrimination against women and environmental degradation. . The MDGs consists of eight goals where each goal has one or more of the further target indicators.

Table 1: Millennium Development Goals (MDGs)

Millennium Development Goals (MDGs)	Targets
1. Eliminate extreme poverty and hunger	1. Reduce the proportion of people whose income is below US \$ 1 per day by half between 1990 and 2015. 2. Reduce the proportion of people suffering from hunger by half between 1990 and 2015.
2. Achieve global primary education	3. Ensure by 2015 all children everywhere, boys and girls, can complete primary education
3. Empower women and promote gender equality	4. Eliminate gender inequality in basic and advanced level education in 2005 and at all levels of education not later than 2015.
4. Reduce child mortality	5. Reduce mortality by two-third, between 1990-2015.
5. Promote maternal health	6. Lowering the maternal mortality rate by three-fourth between 1990 and 2015.

6. Fight malaria, HIV/AIDS, and other diseases	7. Controlling the spread of HIV / AIDS and begin to decline in the number of new cases in 2015. 8. Controlling malaria and begin to decline in the number of cases of malaria and other diseases by 2015
7. Promote environmental sustainability	9. Integrate the principles of sustainable development into country policies and programs and reverse loss of environmental resources. 10. Decreased by half, the proportion of people without access to safe drinking water and basic sanitation facilities and sustained in 2015. 11. Achieve significant improvement in the lives of poor people in slum settlements in 2020.
8. Develop a universal partnership for development	12. Develop further the financial and trading systems that are open, rule-based, predictable, and not discriminatory. 13. Combating the problem of foreign loans through national and international efforts in order to manage foreign debt sustainable in the long term. 14. In cooperation with developing countries in developing and implementing strategies to create decent and productive work for youth. 15. In cooperation with the private sector in utilizing new technologies, especially information and communications technology.

5.2. Sustainable Development Goals (SDGs):

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call for action to end poverty, protect the planet, and to ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs, comprehend themes such as ending world poverty, undertaking urgent action to combat climate change and its impacts by 2030. The 17 SDGs are integrated such that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

Table 2: Sustainable Development Goals (SDGs)

Sustainable Development Goals (SDGs)	Goal description
1. No poverty	✚ End poverty in all its forms, everywhere.
2. Zero hunger	✚ End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
3. Good health and well-being	✚ Ensure healthy lives and promote well-being for all at all ages.
4. Quality education	✚ Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Gender equality	✚ Achieve gender equality and empower all women and girls.

6. Clean water and sanitation	✚ Ensure available and sustainable management of water and sanitation for all.
7. Affordable and clean energy	✚ Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Decent work and economic growth	✚ Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.
9. Industry, innovation, and infrastructure	✚ Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.
10. Reduced inequalities.	✚ Reduce inequality within and among countries
11. Sustainable cities and communities	✚ Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Responsible consumption and production	✚ Ensure sustainable consumption and production patterns.
13. Climate action	✚ Take urgent action to combat climate change and its impacts.
14. Life below water	✚ Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Life on land	✚ Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss.
16. Peace, justice and strong institutions	✚ Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.
17. Partnerships for the goals	✚ Strengthen the means of implementation and revitalize the global partnership for sustainable development.

5.3. Role of MEs in achieving SDGs

The United Nations General Assembly has designated 27th of June as “Micro-, Small, and Medium-sized Enterprises Day in order to raise awareness of the tremendous contributions of micro-, small and medium-sized enterprises in achieving the United Nations Sustainable Development Goals (SDGs). MSMEs account for 90% of businesses, 60 to 70% of employment and 50% of GDP worldwide. As the backbone of societies everywhere they contribute to local and national economies and to sustaining livelihoods, in particular among the working poor, women, youth, and groups in vulnerable situations. In its resolution 73/225 on entrepreneurship for sustainable development, the General Assembly recognized the important contribution entrepreneurship makes to sustainable development by creating jobs, driving economic growth and innovation, improving social conditions and addressing social and environmental challenges in the context of the 2030 Agenda for Sustainable Development. Micro Enterprises with its diverse nature and capabilities can play a very crucial role in achieving Sustainable Development Goals (SDGs).

SDG 1: No Poverty: World Bank defines extreme poor are those who lives on less than \$2.15 per person per day at 2017 purchasing power parity. The number of people living in extreme poverty was declining for the post three

decades. But the declining trend was interrupted when poverty rose due to the disruption caused by the COVID-19 crisis. The number of people in extreme poverty rose by 70 million in 2019 to more than 700 million people in 2020. The global extreme poverty rate reached 9.3 percent in 2020, up from 8.4 percent in 2019. Rising food and energy prices, climate shocks and conflict and war in Ukraine have hindered a swift recovery. By the end of 2022, as many as 685 million people still living in extreme poverty. By employing the poor and jobless Micro enterprises ensure that they earn money to survive.

SDG 2: Zero hunger: Microenterprises make up the majority of agricultural and food producers and ensure a sustainable food production system. Agro-based microenterprises have a major role in creating and maintaining a sustainable food supply.

SDG 3: Good health and well-being: Health issues like maternity mortality, child mortality, etc. are still not well addressed in rural landscapes. Microenterprises could help organize awareness campaigns, healthcare facilities, arrange ambulance facilities, free medical checkups, etc. in the rural areas. To ensure good health around society, Microenterprises have to be careful about the disposal of waste from their establishment. They must ensure that they do not pollute their surrounding localities which ultimately leads to many disease problems in the locality.

SDG 4: Quality education: Education is not only about schooling. It is about learning new things and acquiring new skills at any age. Microenterprises educate rural youths by imparting skills in them. Everyone who is employed in a microenterprise has to learn and acquires new skills for efficient working.

SDG 5: Gender equality: Microenterprises could also assist in promoting gender equality and women's empowerment by providing entrepreneurship opportunities to women. In India, a huge number of microenterprises are led by women. Women have become independent and are successful in their entrepreneurial endeavors. Also, various training programmes have trained them in their skills and have made them at par with men in terms of employability.

SDG 6: Clean water and sanitation: Microenterprises could help to a great extent in dealing with the water and sanitation related activities. They could provide water to the locals from their plant as they usually have a rich source of water for their operations. Microenterprises could help improve water quality by reducing contamination, wiping out dumping activities and limiting the release of dangerous residue materials.

SDG 7: Affordable and clean energy: Microenterprises with their innovative methods have been able to lower the cost of operations and have contributed to energy efficiency. The government is promoting Microenterprises in the area of affordable energy. Thousands of Microenterprises are getting certification from the ministry and are working in the field of producing energy efficient products. This will ultimately help the portion of renewable energy.

SDG 8: Decent work and economic growth: Although the number of unemployed people has reduced significantly over the years, people in many developing countries like India large number of people are still unemployed. Microenterprises sector has a significant role in generating employment in India. The sector helps in increasing labour productivity and decreasing the unemployment rate. This sector has been able to generate and provide employment to a large population in the period of global recession and economic slowdown.

SDG 9: Industry, innovation, and infrastructure: Microenterprises have a big part in industrialization progress of India and have helped in raising the industries share in employment, export and Gross Domestic Product (GDP). The rise in the number of manufacturing units is showing good signs for the economy in the current scenario. Due to lack of resources, Microenterprises entrepreneurs continue to find new ways of doing complicated things in simple ways, which ultimately leads to low-cost innovations. This is why Microenterprises are considered as innovation hubs.

SDG 10: Reduced inequalities: Microenterprises have been contributing to reducing income inequalities within and among countries. By providing employment to local people, these Microenterprises increases their income level,

improve their standard of living and make them self-dependent. Microenterprises have not only contributed to increase the earnings of workers and entrepreneurs but also to the nation.

SDG 11: Sustainable cities and communities: Most of the Microenterprises operate near the residential establishments in cities as well as villages. They affect human lives around them in one way or the other. When industries are set up in the far reach areas, they themselves ensure a well-developed infrastructure. So, they build roads, ensures water availability and take electricity to far reach areas with them. As a result, those areas get a good transportation infrastructure, water supply and electricity supply. Microenterprises with their diverse range of operations are helping in making sustainable cities and communities in different ways. Microenterprises engaged in waste recycling and solid waste management are some good examples in this regard.

SDG 12: Responsible consumption and production: The pace of growth in human population calls for careful use of available resources. Sustainable consumption and production are all about the use of resources for the satisfaction of human needs with minimum wastage. Microenterprises are more flexible than large enterprises and could adopt sustainable consumption processes and production patterns.

SDG 13: Climate action: Global warming and ozone layer depletion have put a major threat to the lives of humans on the planet. India has to contribute to minimizing the air pollution, global warming and ozone layer depletion through Intentionally Nationally Determined Contributions (INDC). If India has to fulfil its INDC commitments then it is important to control environmental degradation and ecological imbalances in the country, which is mostly a result of industrial activities. Microenterprises have to adopt Green Manufacturing initiatives and have to be environmentally conscious in using resources. Some Microenterprises are using solid waste management as business opportunities and using them as marketable opportunities.

SDG 14: Life below water: Use of water resources and their disposal is a matter of concern for not only large but also for Micro Enterprises. Microenterprise units established near the coastal areas and river banks must not indulge in the practice of dumping of wastes in water bodies.

SDG 15: Life on land: The enterprises located near forests are exploiting most of the forest resources. It becomes their responsibility to protect the wildlife in them. It is their duty not to disturb the forest ecosystem. Tree plantation activities must be promoted by them in return for the resource they use. They must also ensure that their operation does not harm the vegetation and do not result in land degradation. If the Microenterprises operate in agro-business, then they must promote sustainable agricultural business practices.

SDG 16: Peace, justice and strong institutions: Large number of Microenterprises do employ a large share of human capital. They must follow the labour laws of the country and comply with their norms. Microenterprises should not indulge in child labour employment. Also, the treatment of female employees must be fair and their exploitation must be stopped.

SDG 17: Partnerships for the goals: In order to implement all the policies related to sustainable development there must be partnership with various institutions within the country and partnership between the public and private sectors. This partnership is essential given the fact that they together create a better value chain. It could be possible that governments could provide better exposure to the Microenterprises of our country so that they could learn innovative methods of operations from one another.

6. Major problems that Microenterprises face:

- **Inadequate finance:** Lack of working capital, difficulties or delay in getting bank loans at different stages inhibits the growth of Microenterprises. The government should ensure the availability of finance through various schemes and policy interventions.

- **Shortage of skilled manpower:** Majority of the microenterprises do not have skilled manpower, which negatively affects their performance. The government, through various training programmes, should try to offer skill development programmes to the micro entrepreneurs and workers employed in these establishments.
- **Lack of infrastructure:** Most of the microenterprises lack basic infrastructure in the form of machinery, building, technological support etc. to effectively run their operations. This infrastructural problem must be addressed properly.
- **Inadequate government policies:** Inadequacy of supportive government policies hampers the entrepreneurial spirit of talented young entrepreneurs. The government must formulate a supportive environment for a startup ecosystem and new business ideas.
- **Lack of supportive environment:** Young men and women should be encouraged to become entrepreneurs in order to combat poverty, gender inequality and income inequality around the globe. Unfortunately, rural youths and women are discouraged by their communities. This mindset has to be changed.

7. Findings: Through the research it is found that the operations of Microenterprises directly or indirectly affect the achievement of sustainable development goals and they can have huge impact in the achievement of sustainable development goals. It is also found that due to many problems micro enterprises are not able to operate to their fullest potential. In order to ensure maximum contribution from the microenterprise sector in the achievement of sustainable development goals, it is necessary that this sector gets adequate support from government, financial institutions and NGOs.

7. Suggestions:

In order to have adequate credit support to the microenterprises, the institutional credit support system should be strengthened. Along with credit facilities, support system must be created for the microenterprise sector in order to discuss their problems and take expert advice from authorities.

In order to overcome the problem of skill shortage, it is essential that microenterprises get proper advisory services. Advisory services must be given on technological advancements in the operational processes for effective use of resources and minimum wastage. Advisory services must also be given in marketing of products.

The government must provide technical support to the micro entrepreneurs. Awareness campaigns about various issues like entrepreneurship development, women empowerment, and financial literacies etc. must be given to the micro entrepreneurs. Awareness programmes should also be organized regarding pollution control techniques, pollution emission norms, safety norms etc.

Government should take appropriate policy measures for adequate support to the micro entrepreneurs so that their improved performance will contribute to the achievement of sustainable development. The coordination of institutions in public sector will have positive impact in this regard. Support of various institution at the national, state and district level should be ensured for micro entrepreneurs for their improved performance.

Micro entrepreneurs must be encouraged to come up with innovative ideas. Young entrepreneurs with innovative ideas must be encouraged and given all supports. Awareness must be created about the significance of microenterprises in creating employment, income and financial freedom, and their role in achieving sustainability.

8. Conclusion: SDGs are ambitious goals directed towards a better future for planet and people. However, achieving them within a span of fifteen years is not an easy task. There are many dimensions to sustainable development which could be achieved through contributions of organisations and individuals in different forms. Microenterprise sector is one of the sectors which carry a huge potential to affect the progress of most of these goals. The diversity and flexibility in operational capabilities of microenterprises make them an important player in the achievement of sustainable development goals. . If microenterprise sector get adequate support it will certainly help in generating

employment and income and, reducing poverty and regional imbalance, and thereby making a substantial contribution in achieving the sustainable development goals. In order to get the maximum contribution from the microenterprise sector in achieving the SDGs, it is needed that problems of the microenterprise sector are addressed through appropriate government interventions.

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