

# MSMES SUSTAINABILITY IN INDIA

**Kishore Babu B, Koneru Lakshmaiah Education Foundation (KLEF)**

## INTRODUCTION

Our existence depends on the environment, which in turn depends on the labour we undertake to support ourselves. Environmental protection and industrialization go hand in hand. We must employ green technology that will put us on a path toward sustainable growth if we want to flourish in both the environment and industry. The most common definition of sustainability is "*fulfilling existing needs without sacrificing ability of future generations to satisfy their own needs.*" Generally speaking, a corporation adopts sustainable practices by lowering its consumption of finite resources or by locating resources that have less of an impact on the environment.

The three fundamental pillars of sustainability are economic, environmental, and social. People, planet, and profits are the three pillars' colloquial names.

### **Environmentally Consciousness**

Making environmentally responsible decisions and acting appropriately to protect the environment are central to environmental sustainability, with an emphasis on maintaining the capacity of the environment to continue supporting our existence. The environmental component frequently receives the most focus. Many businesses are working to minimize their water use, packaging waste, carbon footprints, and other environmental harm. These actions can benefit the economy in addition to the environment. Reduced cost on packaging materials, for instance, and increased fuel efficiency also assist the company's budget.

People are now beginning to understand the full influence that humans and corporations can have on the environment and the natural world. It involves creating processes that will enable businesses to become sustainable in the future and contribute to the preservation of our world by employing more eco-friendly technologies, not just reducing the amount of garbage you create or consuming less energy. External environmental disasters have a direct effect on MSME in the form of fatalities, supply chain interruptions, property damage, and inventory losses. On the other hand, public infrastructures like the delivery of energy, communication, and transportation systems are damaged as a result of the indirect effect. As a result, it raises production costs and occasionally even results in business closure.

### **The Social Foundation**

The social pillar is related to social license, another ill-defined idea. Employees, shareholders, and the community in which a firm operates should all be in favour of it. There are many ways to gain and keep this support, but they all boil down to treating employees fairly and doing your part to improve your local and global communities.

The issue of sustainability has recently come to the forefront of development on a global scale, and the Indian government has publicly pledged to take a number of actions at the national and international levels to protect the environment. MSMEs are essential to the Indian economy since they foster the nation's entrepreneurial ecosystems while also producing a significant amount of employment possibilities at comparatively modest capital expenses. About 30% of India's GDP is contributed by the MSME sector. Thus, the MSMEs are a crucial component of the sustainable economic development strategy due to the shared goal of nation-building with a sustainability focus. When the MSME section is seen as a vital

player, objectives related the utilization of resources, including fossil fuels, would also be met.

### **The Economic Foundation**

The majority of firms consider their footing to be secure in the economic pillar of sustainability. A firm needs to be lucrative to last. Profit, however, cannot be put above the other two pillars. In actuality, the economic pillar is not at all about maximizing profit at any cost. Compliance, effective governance, and risk management are examples of activities that fall within the economic pillar. While the majority of North American businesses already consider them to be minimum requirements, they are not the industry norm.

This pillar is sometimes referred to as the governance pillar in order to emphasize sound corporate governance. This indicates that the interests of shareholders, the company's community, value chains, and end-user consumers are aligned with those of the boards of directors and management.

By offering a three-pronged answer to pervasive societal issues—eradicating poverty, delivering goods and services, and fostering economic resilience—MSMEs significantly contribute to the Indian economy. An increased focus on technical innovation and opening up new markets is necessary to enable the MSME sector in India to reach its full potential. MSMEs can save money by becoming more sustainable, and the business advantages far outweigh any initial costs. Businesses that make sustainability a key component of their strategy discover that it boosts profitability, lowers risks, boosts competitiveness, and increases the number of satisfied consumers. The micro, small, and medium-sized firms and businesses, which collectively account for over half of the manufacturing yield and a significant number of employment prospects, need the most consideration even though large enterprises have admittance to resources and knowledge. The government has been promoting a number of initiatives and regulations that can help these enterprises espouse and up-scale their operations without harming the milieu in order to assist such MSMEs in adopting new and green technologies. A design for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE), Credit Linked Capital Subsidy for Technology Upgrading (CLCSS), and Design Clinic for Design Expertise to MSMEs are just a few of the programmes that the Ministry of MSME and numerous other businesses and trade bodies have been helping MSMEs to take advantage of.

ZED Certification for MSMEs is a significant initiative to raise awareness of Zero Defect Zero Effect (ZED) practices among MSMEs and to inspire and motivate them to pursue ZED Certification as well as to act as MSME Champions. MSMEs can significantly reduce waste, boost productivity, raise environmental awareness, conserve energy, make the best use of natural resources, gain market share, etc. through the ZED Certification process. MSMEs will be encouraged to embrace best practices in work culture, standardization of goods, procedures, and systems, among other things, in order to increase their sustainability and competitiveness on a worldwide scale. The ZED Certification is not merely a certification because it strives to increase an MSME's competitiveness through assessment, support, management and technological intervention, etc.

**Received:** 18-Nov-2022, Manuscript No. AMSJ-22-12910; **Editor assigned:** 21-Nov-2022, PreQC No. AMSJ-22-12910(PQ); **Reviewed:** 20-Dec-2022, QC No. AMSJ-22-12910; **Published:** 18-Jan-2023