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Growth of Small and Medium Enterprises (SMES) and Handicrafts Sector

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Abstract: A significant contribution to the promotion of inclusive economic growth, the creation of job opportunities, and the preservation of cultural heritage is made by the sector of small and medium enterprises (SMEs) as well as the handicrafts industry. A substantial contribution to GDP, exports, and innovation is made by small and medium-sized enterprises (SMEs), which act as a bridge between traditional craftsmanship and the demands of modern markets. In particular, the handicrafts industry exemplifies the rich cultural traditions of regions while also giving chances for financial support to craftsmen working in rural and semi-urban areas. These artists frequently include women and members of underprivileged populations. Both industries have experienced significant expansion over the course of the last several decades as a result of favorable government policies, internet marketing platforms, talent development efforts, and greater participation in local and international trade fairs. On the other hand, obstacles such as restricted access to financial resources, poor infrastructure, a lack of adoption of technology advancements, and competition from mass-produced items continue to exist. For the purpose of bolstering the expansion of small and medium-sized enterprises (SMEs) and handicrafts, an integrated approach that incorporates capacity building, market connections, sustainable production techniques, and regulatory changes is required. The purpose of this research is to investigate the variables that are driving the growth of these industries, the role that entrepreneurship and innovation play, and the methods that can be implemented to improve their competitiveness in the global market while simultaneously maintaining socio-economic sustainability.

Keywords: SMEs, Handicrafts, GDP.

INTRODUCTION

It is generally acknowledged that small and medium-sized businesses (SMEs) are the pillars around which national economies are built. They make significant contributions to the production of goods and services, the creation of jobs, and the growth of regions. Small and medium-sized enterprises (SMEs) are responsible for a sizeable portion of the gross domestic product (GDP) in a number of developing countries, including India. They also play a crucial part in promoting innovation, improving export competitiveness, and allowing equitable growth. Small and medium-sized enterprises (SMEs) provide flexibility, adaptability, and the capacity to cater to specialized markets. [1] They operate across a variety of industries, ranging from manufacturing and services to agro-processing. These organizations serve as a breeding ground for entrepreneurial endeavors and the cultivation of skills, so

contributing to the consolidation of the nation's socioeconomic fabric. Because of its dual function in both economic growth and cultural preservation, the handicrafts sector, which is frequently classed under the framework of small and medium-sized enterprises (SMEs), maintains a unique position. The creative legacy of communities is reflected in handicrafts, which are representations of centuries-old traditions that have been passed down from generation to generation. Rural artisans, many of them belong to women-led and marginalized groups, are provided with work prospects due to the fact that this industry is labor-intensive, ecologically sustainable, and provides employment chances. Not only does the handicrafts sector contribute to the economy, but it also plays a significant part in the preservation of intangible cultural heritage in the face of growing globalization. In recent years, the growth trajectory of small and medium-sized enterprises (SMEs) as well as the handicrafts

industry has been impacted by a number of reasons. These variables include globalization, increasing technology breakthroughs, altering customer tastes, and regulations implemented by the government. New opportunities for market development have been made available as a result of initiatives such as the "Make in India" campaign, digital India projects, e-commerce platforms, and financial inclusion schemes. At the same time, the growing demand internationally for products that are made in an ethical manner, are favorable to the environment, and are handcrafted has put craftsmen and small businesses in a position to access lucrative foreign markets. Despite their promise, small and medium-sized companies (SMEs) and handicraft businesses continue to confront a number of obstacles. These issues include restricted access to cheap loans, a lack of contemporary infrastructure, poor marketing strategies, and fierce competition from items that are manufactured by machines. Further vulnerabilities were identified as a result of the COVID-19 pandemic, which also caused supply chains to be disrupted and restricted market access. A multi-pronged strategy that incorporates regulatory assistance, technical upgradation, capacity building, and sustainable business practices is required in order to effectively address these difficulties. Not only is it vital for economic planning, but it is also essential for attaining sustainable development goals (SDGs), notably those linked to the elimination of poverty, the promotion of decent employment, gender equality, and responsible consumption. Understanding the dynamics of the growth of small and medium-sized enterprises (SMEs) and the handicrafts sector is crucial. [2] The current state, development patterns, prospects, and difficulties of these sectors are investigated in this research, with a particular emphasis placed on techniques that may be utilized to improve their competitiveness and resilience in the context of a global economy that is undergoing fast change. Small and medium-sized enterprises (SMEs) and the handicrafts sector have a role that goes beyond merely following economic parameters; it is intricately connected to social empowerment, regional equilibrium, and environmental sustainability. Many small and medium-sized enterprises (SMEs) flourish in semi-urban and rural locations, which alleviates migratory demands on metropolitan centers and establishes economic ecosystems that are more localized. It is through the promotion of decentralized industry that they contribute to the bridge between rural and urban areas, hence creating more equal development. The handicrafts sector, in particular, is responsible for maintaining livelihoods in communities that are geographically dispersed and do not have large-scale businesses. Not only does the sector serve as a key source of revenue in these regions, but it also functions as a vehicle for the preservation of ancient

knowledge systems.

There have been possibilities as well as problems provided to various industries as a result of globalization. Access to foreign markets through e-commerce and trade agreements has, on the one hand, resulted in an exponential growth of customer bases. On the other hand, the continued existence of traditional businesses that are based on handicrafts is in jeopardy due to the intensification of competition from mass-produced, low-cost imports. Nevertheless, the one-of-a-kindness and genuineness of handcrafted items continue to attract the attention of discriminating customers who place a high value on workmanship, cultural history, and an environmentally conscious approach. For the purpose of capitalizing on this unique appeal, tailored branding, narrative, and strategic positioning in premium markets are required ingredients. From the point of view of policy, governments and international organizations have increasingly acknowledged the significance of small and medium-sized enterprises (SMEs) and handicrafts in the process of attaining equitable growth. For instance, in India, the Ministry of Micro, Small, and Medium Enterprises (MSME) and the formation Commissioner (Handicrafts) have implemented programs that aim to facilitate the acquisition of finance, promote the formation of clusters, encourage exports, and encourage design innovation. In a similar vein, the incorporation of these industries into global value chains is being promoted by means of seminars aimed at capacity building, participation in international fairs, and cooperation with design institutions. Technology adoption is developing as a game-changer for small and medium-sized enterprises (SMEs) as well as handicrafts. Especially for smaller producers who had previously relied on local markets, new revenue streams have been opened up as a result of the proliferation of digital technologies such as online marketplaces, virtual exhibits, social media marketing, and digital payment systems. [3] Furthermore, the invention of sustainable manufacturing processes and the utilization of environmentally friendly materials have boosted the competitiveness of these industries in the global marketplace that is concerned with sustainability. However, in order to fully achieve their growth potential, small and medium-sized companies (SMEs) and handicraft businesses require an environment that is conducive to their growth. This ecosystem should be defined by supportive legislative frameworks, accessible financing, talent upgrading, infrastructure development, and strong market connections. In order to make significant progress, it will be necessary to strengthen supply chains, encourage design innovation, and promote digital literacy among businesses and craftspeople. The purpose of this study is to investigate the factors

that contribute to growth, to identify the problems that are systemic in nature, and to suggest methods that may be implemented to ensure the continued expansion of small and medium-sized enterprises (SMEs) and the handicrafts industry. [5] It is the intention of this organization to make a contribution to the conversation on policy, academic research, and practical initiatives that have the potential to improve competitiveness while simultaneously safeguarding cultural heritage and fostering sustainable livelihoods.

LITERATURE REVIEW:

Pavlova and Ahmedova's (2015), In this research, the primary objectives are to conduct an analysis of the current economic situation in the North-Eastern region (NER) and to encourage sustainable economic growth in the sector of small and medium-sized companies (SME). In addition to gathering information from official statistics and publications, they carried out an in-depth survey among small and medium-sized enterprises (SMEs) in the region. The document contains ideas for enhancing the activities of small and medium-sized enterprises (SMEs) in order to improve their chances of survival and contribute to the economic sustainability of the economy.[6]

Kharmawphlang (2019) sought to conduct an analysis of the growth patterns of industrialization in North East India by taking into consideration significant aspects such as the expansion of the industrial sector, poverty, the mobilization of resources, and the development of the economy. A number of concerns, including unemployment, regional inequities, and income creation, are addressed in the research, which highlights the significance of comprehending industrial growth in an area that is still in the process of expanding. The research, in its whole, sheds light on the economic and social effects that the expansion of industrialization has had on society in a manner that is sustainable.[7]

Qureshil, S. et al (2009) an investigation of the ways in which small firms might make use of information and communication technologies (ICTs) to enhance their competitiveness and achieve growth was carried out. Following the Focus Dominance Model and a modified model of micro-enterprise growth, they used "Information Technology Therapy" on seven micro-enterprises in order to boost their competitiveness. In order to aid small firms in attaining growth over the long term, the research will be conducted.

Jamai, K. et al (2021), An investigation of the ways in which various forms of innovation influence the performance of small and medium-sized businesses

(SMEs) is the focus of this study. Product innovation is vital for manufacturing organizations, and both marketing and product innovation play a big part in the growth of agro-food enterprises, according to the findings, which indicated that the influence of innovation differs depending on the industry. When it comes to enhancing performance in the industrial and service industries, it has been shown that improvements in organizational and product innovation are essential. The results of this study can provide managers with assistance in selecting the most efficient innovation methods for growth, as well as provide policymakers with assistance in influencing the development of firms.[8]

Taiwo, M. A. et al. (2012), This study investigates the contribution that small and medium-sized businesses (SME) have made to the expansion of the Nigerian economy. Information was gathered from two hundred small and medium-sized enterprise (SME) officials and managers working in five different local administrations. [9]A lack of financial assistance, bad management, corruption, a lack of training and experience, inadequate infrastructure, low profitability, and low demand were identified to be frequent hurdles to the growth of small and medium-sized enterprises (SMEs) in Nigeria, according to the findings of the study. Based on the findings of the study, it is recommended that the government should assist entrepreneurs by providing them with access to financial resources as well as knowledge on business possibilities, technology, raw materials, markets, and machines in order to diminish expenses and enhance efficiency.

Beisengaliyev et al. (2018), A discussion is held in this article about the significance of small and medium companies (SMEs) in the process of fostering economic growth in Kazakhstan. The current situation of small and medium-sized enterprises (SMEs) as well as their potential for future development are investigated, with a particular emphasis placed on the creation of creative firms through cooperation. In addition, the essay argues that the state should provide assistance to small and medium-sized enterprises (SMEs) in the production sector so that they can realize their full potential. In addition, a regression model was developed in order to investigate the influence that active small and medium-sized enterprises (SMEs) and bank loans have on the production of SMEs in Kazakhstan.

Juminawati et al. (2021), Micro, small, and medium-sized businesses (SMEs) were investigated for their influence on the expansion of the economy. Since they promote regional products and give chances for business, small and medium-sized enterprises (SMEs) are considered to be major drivers of economic growth in the region. According to the

findings of the survey, 90.1% of small and medium-sized enterprises (SMEs) had a substantial influence on economic growth. This highlights the significance of their active engagement in the economy of the country.

The handicrafts sector, often embedded within the SME framework, has a dual significance— Both cultural and economic. A vital part of the creative economy, handicrafts preserve intangible cultural heritage and provide income for millions of workers, according to the World Crafts Council (2018). Over seven million people, mostly from underserved rural areas, are employed by India's handicraft industry, according to the country's Development Commissioner (Handicrafts) (2022). The U.S., Europe, and the Middle East are the main export markets for handicrafts. Research by Jena (2010) and Singh (2017), among others, shows that Indian handicrafts are popular all over the world because of its symbolic meaning, eco-friendly manufacturing processes, and elaborate patterns.

But there are some structural issues that are common to both SMEs and handmade goods. Major obstacles to expansion, according to Kumar and Bansal (2015), include insufficient access to capital, antiquated production facilities, a lack of marketing knowledge, and competition from machine-made products. While these difficulties have grown in severity, new possibilities have emerged as a result of the fast globalization of markets. Chakraborty and Majumdar (2020) note that small manufacturers and craftspeople may now access worldwide clients directly through e-commerce platforms like Amazon, Etsy, and India's Government e-Marketplace (GeM).

Many government programs have been launched to support these industries from a policy perspective. Cluster development programs, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), and the Technology Upgradation Fund Scheme (TUFSS) are all efforts of the Ministry of MSME to help SMEs become more competitive (Ministry of MSME, 2021). Development Commissioner, Handicrafts (2022) states that workshops for design development, raw material banks, and marketing support programs have all been put in place for the handicraft industry. While research like Basu's (2018) finds that these schemes have increased proficiency and access to markets, the question of sustainability arises in the absence of constant innovation and a strategic global positioning.

There is a growing movement to connect the Sustainable Development Goals (SDGs) with the small and medium enterprise (SME) and craft sectors throughout the world. According to UNCTAD (2020), small and medium-sized enterprises (SMEs) play an

important role in achieving Sustainable Development Goals 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), and 12 (Responsible Consumption and Production). Particularly in terms of SDG 11 (Sustainable Cities and Communities), the preservation of cultural assets is intimately related to handicrafts.[10]

METHODOLOGY:

This research makes use of a comparative analytic approach in order to analyze the growth and development of Small Scale Industries (SSI) in India, with a particular emphasis on the differences that exist between the North Eastern Region (NER) and other areas. There was a collection of data about the distribution of Social Security benefits (SSIs) in every state, which included the number of units and the proportionate contribution of each state to the overall national total. Several aspects that have an effect on the expansion of the industrial sector were investigated. [11]These aspects included government programs, the advantages of various industries, difficulties in the infrastructure, and the availability of financial resources. In addition, the study evaluated the policies that are distinctive to each state in the NER in order to discover one-of-a-kind tactics and prospective prospects for growth. This highlights the significance of customized interventions.

Limitations Of The Study:

The dependence of this analysis on previously collected data, which may not be able to account for new changes or contributions from the informal sector, is one of the study's shortcomings. For effective analysis, it may be necessary to collect additional localized data due to the regional inequalities and special problems that are present in the North Eastern Region. In addition, it is possible that the study does not take into extensive consideration the particular consequences of policies and the ways in which they are implemented differently in different states.

DISCUSSION:

Minority and small enterprise growth in the Northeast

The growth of micro, small, and medium-sized enterprises (MSEs) in North East India may be attributed to the assistance provided by the government and the strengths that particular industries, such as tourism and handloom, possess. Although there are obstacles to overcome, such as a lack of infrastructure and access to funding, attempts to encourage entrepreneurialism are contributing to the development of economic resilience in the local community. The following is a discussion of the expansions of small and medium-sized enterprises (SMEs) in the North East area:

- The expansion of Micro and Small Enterprises (MSEs) is significantly aided by the initiatives of the government, such as the National Enterprise and Industrial Development Scheme (NEIDS) and the MSME programs. These programmes provide assistance in the form of financial aid, subsidies, and chances for training, all of which contribute to the growth and success of micro, small, and medium-sized enterprises (MSEs).
- A number of businesses, including handloom and handicrafts, agro-based industries, food processing, tourism, and bamboo goods, have all experienced substantial expansion in the region. In these industries, the local resources and the traditional skills of the inhabitants are utilized to their full potential.
- It is becoming increasingly necessary to encourage the growth of entrepreneurship, with a particular emphasis on the establishment of incubation centers, the provision of skill development programs, and the provision of entrepreneurship training in order to motivate and enable young people in the community to start their own firms.[12]

The North East's MSE Status:

In the North East region of India, micro, small, and medium-sized enterprises (MSEs) face challenges such as inadequate infrastructure, limited market prospects, and difficulties in acquiring financial support.[13] Nevertheless, there is the possibility for expansion in industries like as handloom, handicrafts, and agroprocessing, with help coming from government initiatives and programs that enable entrepreneurs to start their own businesses. The following is a discussion of the current situation of micro, small, and medium-sized enterprises (MSEs) in the North East Region:

- **Geographical and Infrastructure Challenges:** In spite of their expansion, micro, small, and medium-sized enterprises (MSEs) are confronted with tough terrain, limited connection, and inadequate infrastructure. These elements have an impact on supply chains as well as market access.
- **Credit and Financial Access:** There is still a significant problem with access to financing. Despite the fact that cooperative banks and microfinance institutions are making their presence known, many businesses continue to struggle to obtain sufficient capital via traditional banking channels.
- **Market Access and Linkages:** The development potential of micro, small, and medium-sized enterprises (MSEs) is hindered by limited access to bigger

markets. To increase market connections through digital platforms and e-commerce, efforts are now being undertaken; however, these efforts are still in the early phases of development.

- **Skilled Workforce:** One further obstacle is the lack of a skilled labor force that is readily available. There is still a gap between the skills that are offered and the needs that are required by the sector, despite the fact that there are several skill development efforts.
- **Policy Support:** Although there is a significant amount of support for the policies, there is often inconsistency in the execution and the scope of these policies. For the purpose of addressing particular regional concerns, there is a requirement for interventions that are more specialized and focused.

Because of its one-of-a-kind resources and rich cultural legacy, the micro, small, and medium-sized enterprise (MSE) sector in the North East area possesses a substantial amount of potential. It is possible to significantly accelerate the growth and sustainability of micro, small, and medium-sized enterprises (MSEs) in this region by continuing to focus on improving infrastructure, boosting financial access, and encouraging market connections, in conjunction with providing targeted policy assistance.[14]

Unique Elements of Northeastern Indian State Policies:

Each of the states that make up North East India has its own set of different policies that are designed to encourage economic growth, with a special emphasis on industries such as agriculture, tourism, and handicrafts. Among the most important characteristics are:

Arunachal Pradesh: The construction of hydropower projects and the improvement of tourism infrastructure are two areas that are receiving a lot of attention in the state of Arunachal Pradesh. For the purpose of bolstering its economy and attracting a greater number of tourists, the state is giving certain regions a higher priority for growth and investment. With the help of a number of different initiatives and projects, there are also attempts being made to improve the overall tourism experience in the region.

Assam: A significant amount of importance is placed on the tea sector in the state of Assam. This includes providing assistance to Micro, Small, and Medium Enterprises (MSMEs) and fostering the development of skills through initiatives such as the Assam Skill Development Mission.

Manipur: The state of Manipur places a significant amount of importance on the development of handloom and handicraft industries among its residents. The provision of financial aid and opportunity for skill development to artists and craftsmen is the focus of a number of different programs that are currently in operation. As a result of the cultural and economic value that these traditional industries hold for the area, the government of Manipur is committed to providing support for and encouraging the growth of these businesses. The state intends to empower local craftsmen, conserve traditional practices, and strengthen the economy as a whole through the implementation of these programs for the state.

Meghalaya: Several policies have been put into place in Meghalaya with the purpose of fostering and facilitating the development of ecotourism, horticulture, and agriculture. In addition, financial incentives are offered in order to actively promote the development of agriculturally-based enterprises within the region.

Mizoram: In the state of Mizoram, there is a significant emphasis placed on the promotion of horticulture, the encouragement of the expansion of companies based on bamboo, and the enhancement of infrastructure in order to improve connectivity within the state. These goals are a reflection of the government's commitment to fostering sustainable economic growth and expanding opportunities for the people who live in the country. In addition, investments in these essential industries are made with the intention of increasing the number of jobs available in the region, fostering innovation, and attracting investments in order to further propel economic growth in the region. The goal of Mizoram is to establish itself as a leader in these fields and to make the future more wealthy for its people. This will be accomplished by strategic planning and investments that are specifically targeted.

Nagaland: Through the promotion of agricultural production, the expansion of tourism, and the encouragement of entrepreneurial endeavors through the provision of financial incentives, the government of Nagaland is enhancing economic growth. In addition to this, it is aiming to improve the

quality of life by focusing on the development of sustainable development and infrastructure.

Sikkim: The state of Sikkim focuses a significant amount of importance on the promotion of sustainable practices such as ecotourism, organic farming, and the development of initiatives that utilize renewable energy sources. The purpose of these projects is to preserve the environment and provide assistance to the local economy, while simultaneously attracting tourists who are interested in experiencing the natural beauty of the region and the eco-friendly activities that are involved.

Tripura: The state of Tripura is making a concerted effort to foster the production of rubber, the development of handicrafts, and the expansion of enterprises that process agricultural products. In addition, the state is putting into action initiatives that are designed to improve the development of skills and establish linkages to markets for various varieties of products.

To summarize, the distinctive policies of North East India offer an example of a strategic approach to economic development. Each state in the region places an emphasis on industries that make use of the resources and cultural qualities that are indigenous to the region. In spite of challenges such as problems with the region's infrastructure and budgetary limits, the objectives of these efforts are to foster sustainable growth, generate employment opportunities, and enhance the quality of life in the region. Maintaining support for these policies and ensuring that they are successfully implemented is essential in order to fully achieve the economic potential of the North East region of India.[15]

Patterns of Industrialization in the Northeastern Region of India and the Country as a Whole

The numbers of units in each state over a period of time are displayed in table-1 for the purpose of conducting an analysis of the distribution of industrial units across various states in relation to the trend of industrial growth. By doing so, we will be able to recognize patterns and trends in the expansion and dispersion of industrial production. [16]

Table-1: The fact that the distribution of units is split down by state is demonstrated by this phenomenon.

S.L. No	Name of State/UT	No. of units in the Total SSI Sector	Percentage to Total
1.	JAMMU&KASHMIR	73125	0.70
2.	HIMACHALPRADESH	76198	0.72
3.	PUNJAB	376826	3.58
4.	CHANDIGARH	22247	0.21
5.	UTTARANCHAL	106484	1.01

6.	HARYANA	223294	2.12
7.	DELHI	177080	1.68
8.	RAJASTHAN	441572	4.20
9.	UTTARPRADESH	1707977	16.23
10.	BIHAR	519351	4.94
11.	WESTBENGAL	771388	7.33
12.	JHARKHAND	132446	1.26
13.	ORISSA	388277	3.69
14.	CHHATTISGARH	263900	2.51
15.	MADHYAPRADESH	793552	7.54
16.	GUJARAT	530314	5.04
17 & 18.	DAMAN&DIU&DADRA&NAGARHAVELI	3010	0.03
19.	MAHARASHTRA	803568	7.64
20.	ANDHRAPRADESH	875430	8.32
21.	KARNATAKA	658821	6.26
22.	GOA	7097	0.07
23.	LAKSHADWEEP	532	0.01
24.	KERALA	452826	4.30
25.	TAMILNADU	787965	7.49
26.	PONDICHERRY	8860	0.08
27.	ANDAMAN&NICOBAR ISLANDS	3203	0.03
29.	All India	10521190	100.00

Across all of India's states and union territories, there are noticeable regional variations in the unit distribution of the Total Small Scale Industries (SSI) sector. With 16.23% of all SSI units, Uttar Pradesh is the leading state, thanks to its strong industrial base. Also, with 7.33 percent and 8.32 percent of units, respectively, West Bengal, Andhra Pradesh, and Maharashtra have all been significant players in the industry. The industrial sector is dominated by states like Madhya Pradesh, Tamil Nadu, and Gujarat[17], accounting for 5.04% to 7.54% of the total. Minor states and union territories with low shares include Lakshadweep, Goa, and Chandigarh, to name a few. Reason being, there isn't much economic activity in these areas. More SSI units are located in states with greater populations and more modern industrial infrastructure, which worsens economic inequities when looking at the data as a whole. This highlights the importance of achieving fair economic development from coast to coast through the implementation of targeted industrial policies that promote growth in disadvantaged areas. The distribution also highlights the importance of state-level strategies that address particular issues and seize unique chances to maximize local resources.

Table-2: The North East East-Astute state's unit distribution over the whole SSI sector

S.L. No	Name of State/UT	No. of units in the Total SSI Sector	Percentage to Total
1.	SIKKIM	368	0.00
2.	ARUNACHALPRADESH	1252	0.01
3.	NAGALAND	13861	0.13
4.	MANIPUR	47999	0.46
5.	MIZORAM	11116	0.11
6.	TRIPURA	24352	0.23
7.	MEGHALAYA	22520	0.21
8.	ASSAM	194379	1.85
	Total North Eastern Region	315847	

It is clear that the North Eastern area (NER) of India has a lower industrial presence as compared to other places when looking at the distribution of units in the Total SSI Sector across the area. With 194,379 units, Assam is the most populous state in India and accounts for over 1.85% of the total. This emphasizes the state's position as the industrial hub of the region. Just behind with 47,999 units (0.46%) is Manipur's little industrial activity.

Contributions from states such as Nagaland, Tripura, and Meghalaya range from 0.13% to 0.23%, which is a modest but important amount. States such as Arunachal Pradesh and Sikkim contribute less than 0.01% of the nation's overall industrial production due to their extremely low levels of industrial activity. Due to its geographical remoteness, weak infrastructure, and restricted access to markets, the NER as a whole has a tiny industrial footprint. There may be space for expansion, nevertheless, as seen by the current production units. It may be required to enhance connections, build infrastructure, and establish enabling policies in order to encourage industrial development in the NER, which would result in monetary growth and reduced regional inequality. [18]

Investigating the Growth of The Northeastern Region (NER) and Interstate Highways in India

Regional differences in India's industrial growth are striking when compared across states. A major industrial powerhouse is Uttar Pradesh, which accounts for 16.23% of the total SSI units. West Bengal, Andhra Pradesh, and Maharashtra follow with contributions ranging from 7.33% to 8.32%. The large proportions of these states show how well-developed their industrial bases are and how conducive their environments are to small-scale businesses. Assam leads the North Eastern Region (NER) in industrial output, accounting for 1.85% of the country's total, whereas the rest of the region is more modest. [19] A smaller fraction—between 0.13 and 0.46 percent—comes from Manipur, Nagaland, Tripura, and Meghalaya. There is very little industry in states like Arunachal Pradesh and Sikkim, which account for less than 0.01% of the total. Geographical remoteness and insufficient infrastructure in the NER are highlighted by this difference. To promote industrial growth and achieve regional development parity, targeted measures should be implemented to enhance connectivity and infrastructure in these areas. In order to promote fair industrial growth throughout India, the comparison highlights the importance of implementing state-specific plans that take use of local assets while also addressing distinctive problems.

CONCLUSION

The expansion of small and medium-sized businesses (SMEs) and the handicrafts industry has a great deal of promise for fostering equitable economic development, producing job opportunities, and protecting cultural heritage. In the process of bridging the gap between large-scale industries and informal companies, small and medium-sized enterprises (SMEs) serve as the backbone of industrial advancement. On the other hand, the handicrafts sector is truly unique in that it combines economic value with cultural and environmental sustainability. The combination of these factors not only makes a sizeable contribution to the gross domestic product and exports, but it also generates employment prospects for millions of people, particularly in rural and underserved regions. Both the literature and the present trends suggest that despite their enormous potential, both industries continue to struggle with a number of obstacles. These obstacles include restricted access to financial

resources, poor infrastructure, low technical penetration, and intense rivalry from high-volume production of commodities. On the other hand, new opportunities for expansion have become available as a result of globalization, the proliferation of internet marketplaces, altering customer tastes for environmentally friendly and handcrafted goods, and helpful regulatory actions. These industries are already undergoing a revolution as a result of measures taken by the government, international partnerships, and digital transformation, which is allowing for increased market access and operational efficiency. In order to achieve growth that is both sustainable and inclusive, it is imperative that the ecosystem that supports growth be strengthened via the implementation of integrated measures. These measures include capacity building, skill upgrading, access to cheap finance, infrastructure enhancements, and smart marketing. Handicrafts and small and medium-sized enterprises (SMEs) may further improve their worldwide competitiveness by placing an emphasis on innovation in design, the use of environmentally responsible manufacturing processes, and branding that is based on storytelling. A conclusion may be drawn that small and medium-sized enterprises (SMEs) and the handicrafts sector are not only contributors to the economy, but also essential agents of social empowerment, cultural preservation, and sustainable development. These industries have the potential to play a revolutionary role in the formation of robust and inclusive economies in the years to come if they get the appropriate combination of policy support, entrepreneurial innovation, and global market integration.

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