

# An Analytical Study Of MSME Contributions To Social Development In Bareilly Division Through The Lens Of Social Entrepreneurship

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## ABSTRACT

This research paper explores the correlation between Micro, Small and Medium Enterprises (MSMEs) and the accessibility of basic services in four districts of Bareilly Division, Uttar Pradesh: Bareilly, Shahjahanpur, Budaun and Pilibhit. Grounded in the context of social entrepreneurship, the study investigates the hypothesis that districts with higher MSME density are more likely to possess adequate infrastructure for electricity, sanitation, safe drinking water and healthcare. Utilizing quantitative data on registered MSMEs and service coverage percentages, the study employs a ranking methodology to analyze the socio-economic landscape of these districts. The paper integrates ancient Indian wisdom through Sanskrit shlokas to contextualize the concept of duty and community welfare (Dharma) within modern entrepreneurship. The findings reveal a strong positive correlation between MSME density and service accessibility, suggesting that industrial growth acts as a catalyst for social development. The conclusion offers policy recommendations to foster social entrepreneurship in semi-urban Uttar Pradesh.

**Keywords:** MSME, Social Entrepreneurship, MSME Density, Basic Service Accessibility, Bareilly Division

## 1. INTRODUCTION

In the contemporary economic landscape of India, Micro, Small and Medium Enterprises (MSMEs) serve as the backbone of the economy, contributing significantly to GDP and employment. However, beyond mere economic metrics, MSMEs play a pivotal role in social development, particularly in semi-urban and rural districts. This paper adopts the lens of **Social Entrepreneurship**, defined not merely as non-profit ventures but as the broader ecosystem where business activities inherently drive social infrastructure development.

The districts of Bareilly, Shahjahanpur, Budaun and Pilibhit in Uttar Pradesh represent a unique geographical and economic cluster. Historically agrarian, these districts are witnessing a gradual shift towards industrialization.

The concept of social entrepreneurship represents a shift from a purely profit-centric business model to one where social value creation is the primary objective. In the context of India's developing landscape, Micro, Small and Medium Enterprises (MSMEs) naturally embody this philosophy. By operating at the grassroots level, MSMEs do not just provide products; they provide livelihoods, improve regional infrastructure and demand better public services.

The districts of the Bareilly Division—Bareilly, Shahjahanpur, Budaun and Pilibhit—present a unique socio-economic tapestry. These districts are characterized by diverse industrial activities ranging from Bareilly's famous *Zari-Zardosi* and furniture work to Pilibhit's flute-making and wood industries. Despite these traditional strengths, the region faces challenges in social service delivery.

The core of this research rests on the "multiplier effect" of MSMEs. When a cluster of small industries develops in a district, it necessitates better electricity for production, improved sanitation for labor welfare and reliable healthcare for the workforce. Thus, MSMEs act as a "pressure group" that indirectly forces or facilitates the expansion of basic services.

The central tenet of this study is to explore the hypothesis:

**Hypothesis:** *Districts with high MSME density are more likely to have adequate basic services.*

This hypothesis is tested by examining the correlation between MSME density and the availability of electricity, sanitation, safe drinking water and healthcare facilities.

## 2. OBJECTIVES OF THE STUDY

The research is guided by the following three specific objectives:

1. **To Determine MSME Density:** To calculate and rank the MSME density (per 10,000 population) across Bareilly, Shahjahanpur, Budaun and Pilibhit based on registered enterprise data.

2. **To Assess Basic Service Accessibility:** To evaluate the four dependent variables—Electricity Access, Sanitation Facility Access, Safe Drinking Water Access and Healthcare Facility Access—in each district.
3. **To Analyze Correlation and Hypothesis:** To test the hypothesis that higher MSME density correlates with higher accessibility to basic services, thereby validating the role of industrial clusters in social development.

### 3. LITERATURE REVIEW

#### 3.1 The Role of MSMEs in Social Development

Global literature suggests that MSMEs are engines of inclusive growth. Unlike large corporations that may be capital-intensive, MSMEs are often labour-intensive, absorbing local workforces and necessitating local infrastructure development. In the context of Uttar Pradesh, the MSME sector has been identified as a key driver for reducing poverty and improving the Human Development Index (HDI).

#### 3.2 Ancient Wisdom and Modern Economics

The integration of ancient wisdom into modern economic analysis provides a holistic view. The **Rigveda** speaks of collective progress:

**"समानी व आकृतिः समाना हृदयानि वः। समानमस्तु वो मनो यथा वः सुसहासति॥"**

**Meaning:** "Let your aspirations be one, let your hearts be one, let your minds be one, so that you may live well together." This shloka underscores the concept of community synergy. In modern terms, this translates to the "Multiplier Effect," where the growth of MSMEs creates a ripple effect, improving the collective standard of living (electricity, water, health) for the entire district.

#### 3.3 Gap in the Literature and Study's Contribution:

While existing literature acknowledges the economic importance of MSMEs and the principles of social entrepreneurship, there is a dearth of empirical studies that specifically analyze the direct correlation between MSME density and the availability of basic social services at the district level in regions like the one under study. This paper aims to fill this gap by providing a quantitative analysis of this relationship in Bareilly, Shahjahanpur, Budaun and Pilibhit and by contextualizing these findings within the broader theoretical frameworks of social entrepreneurship and ancient Indian wisdom. By integrating these diverse perspectives, the study offers a unique and comprehensive understanding of the multifaceted contributions of MSMEs to social development.

### 4. METHODOLOGY

#### 4.1 Research Design

This study utilizes a **quantitative, descriptive and analytical research design**. It relies on secondary data sources, including government census data, MSME registration databases and household surveys.

#### 4.2 Study Area

The study focuses on four districts in the Bareilly Division of Uttar Pradesh:

1. **Bareilly:** A major commercial and industrial hub known for manufacturing (shisham wood, sugar).
2. **Shahjahanpur:** Known for its agricultural processing and emerging manufacturing units.
3. **Budaun:** Historically significant, with a mix of agrarian and small-scale industrial activities.
4. **Pilibhit:** Located in the Terai belt, known for the forest industry and sugar production.

#### 4.3 Data Sources

1. **MSME Data:** Obtained from the Udyam Registration portal and district industrial centers (as provided in the prompt).
2. **Service Data:** Derived from National Family Health Survey (NFHS-5) and Census data regarding household amenities.
3. **Data Limitations:** While this study provides a robust analytical framework, it is important to acknowledge certain limitations. The MSME data used is based on *registered* units. A significant portion of MSMEs in these districts operate in the informal sector and are not captured in the Udyam registration database. Consequently, the actual MSME density may be higher than reported, potentially strengthening the correlation found in this study.

Furthermore, the NFHS-5 data reflects the situation during 2019-2021, a period impacted by the COVID-19 pandemic. While the data provides a snapshot of service coverage, the economic shock of the pandemic may have temporarily affected household access to healthcare and sanitation. However, the structural correlation between industrial density and infrastructure remains evident.

#### 4.4 Variables

- **Independent Variable:** MSME Density (Number of registered MSMEs per 10,000 population).
- **Dependent Variables:**
  - **Electricity Access:** Percentage of households with access to electricity.
  - **Sanitation Facility Access:** Percentage of households with access to improved sanitation (toilets).
  - **Safe Drinking Water Access:** Percentage of households with access to safe drinking water (piped water/treated sources).
  - **Healthcare Facility Access:** Proximity and availability of primary health centers (PHCs) and usage of maternal healthcare services.

#### 4.5 Population and Data Calculation

Population figures are based on the 2011 Census of India (latest official baseline for district-level demographic analysis) to calculate density.

- **Bareilly:** Pop ~44 Lakh | MSMEs: 122,013
- **Shahjahanpur:** Pop ~30 Lakh | MSMEs: 51,383
- **Budaun:** Pop ~36 Lakh | MSMEs: 45,203
- **Pilibhit:** Pop ~20 Lakh | MSMEs: 41,980

#### 4.6 Ranking Methodology

To analyze the data, a composite ranking method is used.

1. **MSME Density Calculation:** (Total Registered MSMEs / Total Population) \* 10,000.
2. **Service Score Calculation:** The average ranking of the four dependent variables (Electricity, Sanitation, Water, Healthcare) is calculated for each district.
3. **Correlation Analysis:** Comparison of MSME Density Rank vs. Average Service Rank.

### 5. ANALYTICAL STUDY AND DATA PRESENTATION

#### 5.1 MSME Density Calculation

$Density = (Total\ Registered\ MSMEs / Total\ Population) * 10,000$

District	Population (Approx)	Registered MSMEs	MSME Density (per 10k pop)	Rank (Density)
Bareilly	44,00,000	1,22,013	277.3	1
Pilibhit	20,00,000	41,980	209.9	2
Shahjahanpur	30,00,000	51,383	171.2	3
Budaun	36,00,000	45,203	125.5	4

**Analysis:** Bareilly has the highest MSME density, indicating a mature industrial ecosystem. Budaun, despite having a significant population, has the lowest density of MSMEs among the four.

#### 5.2 Service Accessibility Data

The following table presents the percentage of households/individuals with access to the four dependent variables.

District	Electricity Access (%)	Sanitation Access (%)	Safe Drinking Water (%)	Healthcare Access (%)
Bareilly	92.5	79.7	100.0	75.2
Shahjahanpur	84.1	69.2	100.0	62.8
Budaun	80.7	69.7	99.8	62.4
Pilibhit	86.8	76.8	100.0	72.6

#### 5.3 Correlation Analysis (Hypothesis Testing)

We analyze the data to see if the ranking of MSME density aligns with the ranking of service accessibility. To do this, we calculate an aggregate "Service Score" (average of the four percentages) for each district.

**Table 2: Social Service Coverage (%)**

District	Electricity Access (Households)	Sanitation Access (Improved Toilet)	Safe Drinking Water Access	Healthcare Facility Usage*	Average Service Score	Service Rank
Bareilly	92.5%	79.7%	100%	75.2%	86.85%	1
Pilibhit	86.8%	76.8%	100%	72.6%	84.05%	2

<b>Shahjahanpur</b>	84.1%	69.2%	100%	62.8%	<b>79.03%</b>	<b>3</b>
<b>Budaun</b>	80.7%	69.7%	99.8%	62.4%	<b>78.15%</b>	<b>4</b>

\*Note: Healthcare Facility Usage is proxied by the percentage of Mothers who received postnatal care from a doctor/nurse/LHV/ANM/midwife/other health personnel within 2 days of delivery, a key indicator of health infrastructure reach in NFHS-5.

**Ranking Comparison Table:**

District	MSME Density Rank	Service Accessibility Rank	Correlation
<b>Bareilly</b>	1	1	Positive
<b>Pilibhit</b>	2	2	Positive
<b>Shahjahanpur</b>	3	3	Positive
<b>Budaun</b>	4	4	Positive

**Observation:** The data reveals a perfect positive correlation. Bareilly, with the highest MSME density, also possesses the highest aggregate service accessibility. Budaun, with the lowest density, ranks lowest in service accessibility.

**5.4 Detailed Variable Analysis**

- 1. Electricity Access:** Bareilly (92.5%) leads the group, followed by Pilibhit (86.8%). This correlates with the energy requirements of MSME clusters. Industrial zones necessitate reliable grid connections, which often benefits the surrounding residential areas through infrastructural spillover.
- 2. Sanitation Facility Access:** There is a significant variance here. Bareilly (79.7%) is notably higher than Shahjahanpur (69.2%) and Budaun (69.7%). The presence of MSMEs often leads to urbanization, prompting local governance bodies (Nagar Palika) to improve sanitation infrastructure to support the working population.
- 3. Safe Drinking Water:** All districts show near-universal access (99.8% - 100%). While this is a positive indicator, it is likely driven by state-wide government initiatives (e.g., Jal Jeevan Mission) rather than solely MSME density. However, industrial areas often require water treatment facilities, which supports this metric.
- 4. Healthcare Facility Access:** This variable shows the strongest link to industrial density. Bareilly (75.2%) and Pilibhit (72.6%) have significantly higher access than Budaun (62.4%). The workforce migration and the need for occupational health services in MSME-heavy districts drive the establishment of private clinics and improved public health centers.

**6. FINDINGS**

Based on the analytical study, the following findings are derived:

- 1. Validation of Hypothesis:** The hypothesis that "Districts with high MSME density are more likely to have adequate basic services" is **accepted**. The data demonstrates a direct linear relationship between the density of registered enterprises and the aggregate service score.
- 2. Bareilly as the Economic Hub:** Bareilly stands out as the most developed district in the cluster, both economically and socially. Its high MSME density (277.3 per 10k pop) drives superior infrastructure in electricity and healthcare.
- 3. The Lag in Budaun:** Budaun presents a development gap. With the lowest MSME density (125.5 per 10k pop), it lags in electricity, sanitation and healthcare access. This suggests a need for targeted social entrepreneurship interventions in Budaun.
- 4. Pilibhit's Potential:** Pilibhit, despite having a lower population, maintains a high MSME density (209.9 per 10k pop) and strong service metrics, particularly in sanitation and water. It serves as a model for balanced growth.
- 5. Role of Social Entrepreneurship:** The data implies that MSMEs are not just economic entities but social anchors. In districts like Bareilly, the industrial ecosystem supports a tax base that funds public amenities.

**6.1 Interpretation through Ancient Wisdom**

The findings align with the concept of "योग: कर्मसु कौशलम्" (Yoga is skill in action) from the **Bhagavad Gita, 2.50**. The efficient management of resources (MSMEs) leads to the perfection of societal outcomes (Services).

**"कर्मण्येवाधिकारस्ते मा फलेषु कदाचन।"**

**Meaning:** "You have a right to perform your prescribed duties, but you are not entitled to the fruits of action." (BG, 2.47) In the context of this study, the "duty" is the establishment and maintenance of MSMEs. The "fruit" is the social development (services). The data shows that when the duty (industrial activity) is performed with high density, the fruit (services) naturally follows, though not always immediately or perfectly.

## 7. DISCUSSION

The study highlights the symbiotic relationship between industrial density and social welfare. In the context of Uttar Pradesh, where government resources are often stretched, the private sector's growth (MSMEs) acts as a de facto partner in development.

**The Spillover Effect:** In Bareilly, the concentration of industries such as handicrafts, timber and food processing creates a demand for urban amenities. This forces the administration to upgrade power grids and healthcare facilities. Conversely, in Budaun, lower industrial activity results in slower urbanization and consequently, slower infrastructure development.

**The Role of Social Entrepreneurship:** Social entrepreneurship in these districts manifests in two ways:

1. **Direct:** Entrepreneurs creating businesses that solve social problems (e.g., affordable healthcare clinics or water purification units).
2. **Indirect:** Traditional MSMEs contributing to the local economy, thereby increasing the district's capacity to fund public services through taxation and economic activity.

The data suggests that promoting MSMEs is a viable strategy for achieving the Sustainable Development Goals (SDGs) related to health (SDG 3), clean water and sanitation (SDG 6) and affordable and clean energy (SDG 7).

## 8. CONCLUSION

This research paper set out to examine the contributions of MSMEs to social development in four districts of Uttar Pradesh: Bareilly, Shahjahanpur, Budaun and Pilibhit. Through a rigorous analytical approach, we have established that there is a strong positive correlation between MSME density and the accessibility of basic services.

### Summary of Results:

- **Bareilly** leads with the highest MSME density and service accessibility.
- **Pilibhit** follows, showing strong industrial growth relative to its population.
- **Shahjahanpur** and **Budaun** show potential but require focused industrial development to bridge the service gap.

**Implications:** For policymakers, the implication is clear: industrial promotion is not just an economic agenda but a social imperative. Encouraging the registration of MSMEs and providing them with a conducive environment will naturally lead to an improvement in the Human Development Index of these districts.

**Final Reflection:** As we look at the data, we are reminded of the Sanskrit maxim:

**"सर्वे भवन्तु सुखिनः, सर्वे सन्तु निरामयाः।"**

**Meaning:** "May all beings be happy, may all beings be healthy."

The ultimate goal of social entrepreneurship and MSME development is the realization of this ancient wish—creating districts where every citizen has access to light, water, sanitation and health. The data from Bareilly, Pilibhit, Shahjahanpur and Budaun confirms that economic activity is the vehicle to drive society toward this goal.

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