

## Promoting Business Development Services (BDS) Network for micro Enterprises through alliance with Civil Society Organizations in India



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In India promotion of micro Enterprises contribute towards eradication of poverty and strengthening of economy in an area. Access to Business Development Services (BDS) is critical for promotion of micro Enterprises. BDS generally refers to non financial services, either formal or informal that support in starting and strengthening micro Enterprises. BDS could be stand alone service or embedded as part of business transaction with micro Enterprises. There has been wider acceptance on the need for BDS. However, clarity has not yet emerged on - How BDS could be provided to micro Enterprises?

BDS could be provided as stand alone service or as part of business transactions. It can be provided on full time or on part time basis; on a formal manner or informal manner. BDS can also be made available at a village level or at an area level. It may also be provided as a service/component of livelihood intervention projects. Unlike large enterprises that may need one off BDS, micro Enterprises (being small in size and difficult to internalize the service inside the enterprise), there is need for BDS on a continuous basis. Sustainable BDS through a network of BDS providers seems to be one of the approaches to promote micro Enterprises.

BDS provider can only be successful, if he/she has understanding/experience of micro Enterprises to which he/she is offering BDS. Besides enhancing understanding on the functioning of micro Enterprises, they need to have management skills in subjects like planning, finance and marketing. Further they continuously need information relating to the specific micro Enterprise sector. Interaction amongst BDS providers working in an area can also enhance their capacity as BDS providers and their quality of services. Branding of BDS/BDS providers can also led to development of BDS market in an area. Overall, this implies that BDS providers need “Back End Support Services”.

Back End Support Services to BDS providers can be in the form of access to information and capacity building support in specific subjects. This would also include facilitating exchange of ideas and experience between BDS providers. When BDS provider would be linked to a back end supporting organization, he/she will have enhanced capacity and confidence to provide BDS.

There is need for involvement of independent organizations (without any vested interest) to support BDS providers associated with micro Enterprises. As the market for BDS to micro Enterprises has not fully evolved, it is unlikely that private companies would come forward to promote and support BDS providers. Government has limited capacity to facilitate BDS. Involvement of local Civil Society Organization (CSOs) with exposure to micro Enterprise promotion seems to be one of the best options to promote/support BDS providers. However, local CSOs also need facilitation support to be able to promote/support BDS providers, which can best be done by leading Livelihood Promoting Organizations, with focus on micro Enterprise development. Till the BDS market emerges and different models of financial sustainability of BDS to micro Enterprises emerge, there is need for Government, Bilateral/Multilateral Agencies and International NGOs to financial support such initiatives. There is need to promote BDS Network for micro Enterprises through alliance with CSOs in India. Access to sustainable BDS continues to be a critical need for sustenance of micro Enterprises not only in India but across World.

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