

Problems and Prospects of Micro Enterprises - A Case Study of Southern Maharashtra

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Abstract

One of the crucial and delicate sectors of the Indian economy is micro enterprises. The contribution of India's micro, small and medium enterprises (MSMEs) to the country's economic growth is documented well. They have a major role in the country's socio-economic development including employment generation, reducing inequalities, correcting regional imbalances, and providing low-cost raw material for different sectors. In present research paper researcher tried to understand problems and prospects in micro enterprise with reference to Southern Maharashtra. most of the respondents in all selected study area i.e. Kolhapur, Sangli, Satara and Sindhudurg district are agreed that, due to the micro enterprises in selected study areas micro enterprise are face several problems. In other hand in selected study areas has several business opportunities with potential prospects. Hence, researcher tried to understand the problems and prospects with reference to Southern Maharashtra.

Key Word: Micro Enterprise, Problems and Prospects, Entrepreneurship opportunities etc.

1. Introduction:

Micro-enterprises have limited investment requirements in most cases and are a relatively accessible source of livelihood for people in the Tier 2 and 3 as well as rural areas. Micro entrepreneurs are driven by not just the purpose of earning a better livelihood but also harnessing an opportunity they identified – a challenge at scale, for which they can provide solutions. India's micro entrepreneurs are thus taking the lead in bringing about an upward change and playing a vital role in the country's economic development. The micro enterprise leads to economic development of rural area. It is contribution to gross domestic product, taxes and duties, employment and jobs creation. However, Micro enterprises are face several problems such as mind set problems, problems of registration, location problems, management problems, unknown Government initiatives and policies, inadequate finance, difficulty in recovery or delay payment, taxation related problems, lack of skill human resources, information availability, Government rules and regulations, managerial incompetence, lack of consultation, production related problems, problems of electricity, lack of advance technology, more number of similar business, marketing and distribution problems, lack of infrastructure facilities, extreme competition, corruptions, and other problems etc., Beside this micro enterprises have prospect in future as like increase saving habit, increase income, quality education, self-employment and entrepreneurship development, employment generation, change in life style, use of resources, revenue generation, human resources development, marketing mechanism, market exposure, focused on customer satisfactions, global market opportunities, attract foreign investment, regional development, rural development, infrastructure development, industrial development, social development, contribution in GDP and contribution national income etc. Considering this *in this paper researcher tried to focus on problems and prospects in micro enterprises with reference to Southern Maharashtra.*

2. Review of literature:

The reviews of literature and conceptual understanding help to develop deep sense of research with reference to A Study of Business Opportunities for Rural People in Micro Enterprises Sector with Special Reference to Southern Maharashtra. Lehrer Sara (1981) has studied the influences of women's conference on the attitude of the participants towards women's role in society. Arun (1995) conducted his doctoral research in the area of productivity of small-scale industries (SSIs) in rural areas of the state of Kerala in India. Bhave S. C. (1976), in his Ph. D

work entitled Marketing Organization, policy and procedures of the small-Scale units with special reference to units in the Pune Region, this thesis submitted to Pune University Pune. The objective of research work was to examine forms of organization. Desai Vasant (2008), book titled Management of Small-Scale Industries, in his book author emphasized on small scale industries sector and its important segment of an Indian economy and SSI contribution. This book tried to provide all historical background as well performance of SSIs. Anjali Singh (2014) in her paper entitled Role of Women Entrepreneurs in India: A SWOT Analysis, study the concept of women entrepreneur and discuss the trends and issues in the development of various fields. Abid Hussain Committee (1997) report on small enterprises has examined in detail the credit needs of small-scale enterprises and the problems that they face for raising finance from institutional agencies for financing their operations. **Considering the previous research researcher tried to enlighten on problems and prospects of micro enterprises, which was gap of previous research.**

3. Scope of the Study:

This study mainly enlighten on problems and prospects of micro enterprises with reference to Southern Maharashtra.

4. Objectives of the Study:

1. To know the problems of Micro enterprises in selected study areas.
2. To enlighten the prospects for micro enterprises in selected study areas.

5. Hypothesis of the Study:

In southern Maharashtra, especially Kolhapur, Sangli, Satara, and Sindhudurg districts, microenterprises have potential prospects, but selected microenterprises also face several problems in their business operations.

6. Methodology of the Study:

The present study main aim is to understand the role of micro enterprises to boost rural economic development with special reference to Southern Maharashtra including Kolhapur, Sangli, Satara and Sindhudurg districts. Hence, researcher has selected 377 sample respondents from Kolhapur, Sangli, Satara and Sindhudurg districts. Therefore, researcher has used stratified random sampling methods for the selection of the sample respondents. Furthermore, researcher has collected primary data and its analysed with uses of appropriate statistical tools and techniques and drawn the results.

7. Data Analysis and Interpretation:

The researcher tried to analysis the data and interpretation with help of table diagram, radar and use appropriate tools and techniques for drawn the accurate results.

7.1 Problems of Micro Enterprise in Southern Maharashtra:

In present research work researcher tried to examine the problems, which was face by selected micro enterprise in southern Maharashtra, the problems specify as follow;

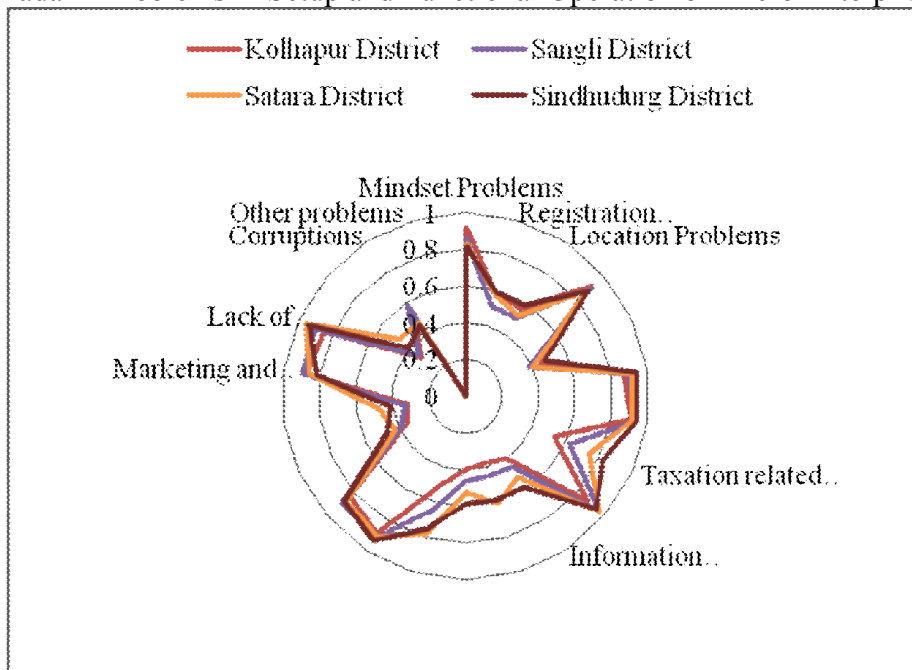
Table No. 1 Problems in Setup and Functional Operation of Micro Enterprises

Sr.	Particular	Kolhapur District		Sangli District		Satara District		Sindhudurg District	
		N	%	N	%	N	%	N	%
1	Yes	142	53	34	48	11	48	13	76
2	To some extent	83	31	32	45	12	52	04	24
3	No	18	07	00	00	00	00	00	00
4	Can't say	23	09	05	07	00	00	00	00
Total		266	100	71	100	23	100	17	100
z cal			11.32		7.24		4.80		4.12
z tab			1.64		1.64		1.64		1.64
P value			0.00		0.00		0.00		0.00

(Sources: Field Work, Note: N = Number of Respondents)

Table 1 shows the problems faced by the micro enterprises in set up and functional operation of micro enterprises. In Kolhapur district majority 53% respondents face problems in setup and functional operation of micro enterprises, followed by 31% said to some extent, 07% do not face problems and least 09% could not express their view. In Sangli district majority 48% respondents face problems in setup and functional operation of micro enterprises, followed by 45% said to some extent, 07% are could not express their view. In Satara district majority of 52% respondents face problemsto some extent in setup and functional operation of micro enterprises, followed by 48% said they are face problems. Similarly, in Sindhudurg districts majority 76% of respondents face problems in setup and functional operation of micro enterprises, followed by 24% said to some extent. **Moreover, it is noted that proportion z test value i.e. 11.32, 7.24, 4.80 and 4.12in Kolhapur, Sangli, Satara and Sindhudurg districts respectively, which is higher than z table value i.e. 1.64 ($Z_{cal} > Z_{tab}$) and p value is less than significant level. This shows that the selected respondents faced problems in set up and functional operation of micro entrepreneurs.**

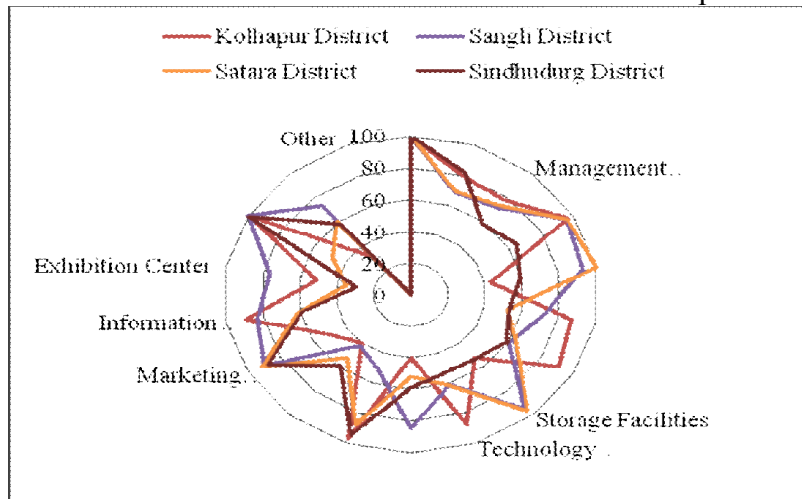
Radar 1 Problems in Setup and Functional Operation of Micro Enterprises:



(Sources: Field Work, N = Number of Respondents, P= Proportion PV= Percentile Value)

Radar 1 shows the problems in setup and functional operation of micro enterprises. It is stated that the entrepreneurs are playing very important role in the selected study areas. However, it seems that they face various problems in day to day work. It means every flourishing enterprise has its own problems. Therefore, here identified are some major problems faced by rural entrepreneurs are as mindset problems, registration, location, management, unknown Government initiatives and policies, inadequate finance, difficulty in recovery or delay payment, taxation related problems, lack of skill human resources, information availability, Government rules and regulations, managerial incompetence, lack consultation, production related problems, electricity, lack of advance technology, more number of similar business, marketing and distribution, lack of infrastructure facilities, extreme competition, corruptions, and other problems etc.

Radar No 2 Measure to Overcome the Problems of Micro Enterprise



(Sources: Field Work, Note: N = Number of Respondents)

Radar No. 2 depicted that the measure to overcome the problems of micro enterprise. On the basis of field work in selected study areas researcher has enlisted 17 specific measures for overcoming from identified problems, which are faced by rural people in micro enterprises. Considering this, micro enterprise can overcome this problems with help of common facilities centers, more awareness programme, capacity building programme, financial consultation, credit facilities to rural entrepreneurs; motivate rural youth as a take up entrepreneurship as a career. In this way selected micro enterprises can be overcome problems,

7.2 Prospects of Micro Enterprises:

It is referred that the current market value of Indian MSMEs is \$5 billion. It is estimated that in terms of Market value, the sector accounts for about 45% of the industrial output, 40% of total exports of the country, 45% industrial units, 42 million employment and more than 8000 products in Indian economy (Priyadarshani Zanjurne, 2018). Considering this researcher has specified the prospects of micro enterprises in selected areas i.e. Southern Maharashtra specifically Kolhapur, Sangli, Satara and Sindhudurg districts. Therefore, researcher tried to analyzed the prospect of micro enterprises with five-point scale and its pre-set hypotheses test use of standard statistics i.e. simple t-test which analyses and interpreted in following manner,

Table No. 2 Prospects for Micro Enterprises in Rural Areas

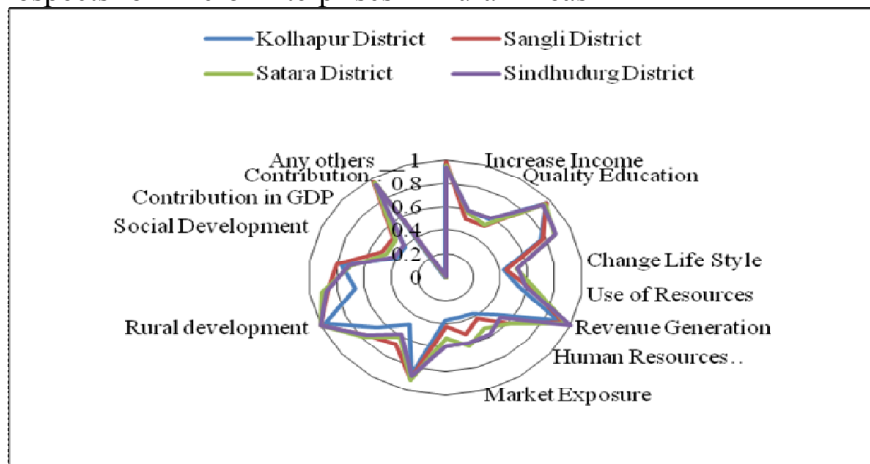
Sr.	Particular	Kolhapur District		Sangli District		Satara District		Sindhudurg District	
		N	%	N	%	N	%	N	%
1	Yes	180	67	48	68	16	70	11	64
2	To some extent	50	19	17	24	04	17	4	24
3	No	20	08	03	04	00	00	00	00
4	Can't say	16	06	03	04	03	13	02	12
Total		266	100	71	100	23	100	17	100
z cal		11.81		7.24		3.54		3.15	
z tab		1.64		1.64		1.64		1.64	
P value		0.00		0.00		0.00		0.00	

(Sources: Field Work, Note: N = Number of Respondents)

The table 2 it is inferred that the prospects for micro enterprises in rural areas of Southern Maharashtra including Kolhapur, Sangli, Satara and Sindhudurg district. The researcher has selected micro enterprise have future prospects as the engine of economic growth and for promoting rural economic development (Das S. K., 2014). The researcher has focused on the future prospects for micro enterprises and it is noted that the 70% of respondents of Satara district, 68% of respondents of Sangli district, 67% of respondents of Kolhapur district and 64%

of respondents of Sindhudurg district said ‘Yes’ that the micro enterprises have future prospects, followed by there are equally 24% respondents of Sangli and Sindhudurg as well as 19% respondents of Kolhapur district and 17% respondents of Satara district are said that the micro enterprises have future prospect up to some extent and remaining least respondents from Kolhapur, Sangli, Satara and Sindhudurg district do not express their opinion on the view aspect as prospects for micro enterprises in rural areas of Southern Maharashtra including Kolhapur, Sangli, Satara and Sindhudurg district. **Moreover, it is noted that proportion z test value i.e. 11.81, 7.24, 3.54 and 3.15 in Kolhapur, Sangli, Satara and Sindhudurg districts respectively, which is higher than z table value i.e. 1.64 ($Z_{cal} > Z_{tab}$) and p value is less than significant level. This inference reveals that the micro enterprises have significant prospects in rural areas of Southern Maharashtra including Kolhapur, Sangli, Satara and Sindhudurg district.**

Radar No. 3 Prospects for Micro Enterprises in Rural Areas



(Sources: Field Work, N = Number of Respondents, P= Proportion PV= Percentile Value)

Radar 3 shows that the prospects for micro enterprises in rural areas of Southern Maharashtra specifically at Kolhapur, Sangli, Satara and Sindhudurg districts. This is qualitative analysis of collected data. The prospect of micro enterprises analyzed with help of percentile value, it is stated that enlisted variables are represented the prospect of micro enterprises in Southern Maharashtra. Hence, researcher has calculated percentile value and finally calculated percentile rank for the analyzing and interpreting data. Furthermore, it is stated that the micro enterprises significantly contributed to rural development and its percentile value is 100, followed by increase saving habit (95.40), self-employment and entrepreneurship development (90.90), contribution national income (86.30), revenue generation (81.80), global market opportunities (77.20), infrastructure development (72.70), employment generation (68.10), industrial development (63.60), regional development (59), use of resources (54.50), attract foreign investment (50.00), and least increase income(45.40), human resources development (40.90) quality education (36.30) market exposure, change life style, marketing mechanism, focused on customer satisfactions, social development and final contribution in GDP etc.

8. Conclusion and Discussion:

The Research work entitled **Problems and Prospects of Micro Enterprises - A Case Study of Southern Maharashtra**. It is tried to attempt problems and prospects of micro enterprises with reference to Southern Maharashtra and specifically selected Kolhapur, Sangli, Satara and Sindhudurg district. It is stated that present study helps to find out problem of micro enterprises specifically unemployment people in rural areas, potential of micro business enterprises, and its role in rural economic development. Furthermore, preset hypothesis tested by using appropriate tools of statistics i.e. z-test, t-test and it is realized that alternative hypothesis was accepted. Moreover, it is stated that in present chapter researcher attempts problem and prospect of micro enterprises. The problems and prospect analysis with use of qualitative data and calculates percentile value and its measures with five-point liker scale. It helps to identify problems in

selected areas. Besides specify the future prospect of rural micro enterprises and its role in rural economic development in Southern Maharashtra.

9. References:

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