

A Study on the Socio Economic Aspects of Rural Micro Enterprises in Assam

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ABSTRACT: *Micro, Small and Medium Enterprises (MSMEs) Sector have made significant contribution towards generation of employment, production of goods and services, raising Gross Domestic Products and exports in India. However, in Assam, a state in the north eastern part of India, the sector is exhibiting a relative under performance in a number of aspects. The current study is an attempt to explore the socio economic aspects of rural micro enterprise sector in four districts of Assam identified based on stratified sampling method covering 80 micro enterprises in the manufacturing sector. Empirical evidence of the study suggests that participation of socially disadvantaged and women in micro enterprise sector is not encouraging in the State. In term of economic parameters too like production, investment and income, the sector exhibit laggard performance.*

KEYWORD: *Micro Enterprise*

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I. INTRODUCTION

The promotion of micro enterprises as a tool for economic growth and development has been well discussed and recognised. The micro enterprise sector is highly significant in terms of its potentiality in generating employment opportunities with lower capital investment, reducing regional imbalances through optimum utilisation of local resources and facilitating equitable distribution of income and wealth. Thus, the sector assumed importance in framing economic development policies across the globe. Numerous studies, reports, surveys throughout the globe has recognised the significant contribution of the Micro, Small and Medium Enterprise (MSME) sector towards employment generation, balanced regional development, effective utilisation of local resources and export. In one such study, Kashyap (1995) pointed out that the small-scale sector in India has helped in generating large scale employment, production of wage goods and increase in levels of income in a fairly dispersed manner, and has succeeded in mobilising dormant skills and resources. This has enhanced the entrepreneurship skills, developed village economies and has aided the process of backward area development. It has also played an important role in the overall process of industrialisation and economic development of the country. In yet another study, Nag (1978) stated that the small scale-sector has been employing a considerable number of skilled and unskilled manpower especially in rural areas and small towns and thus, playing a vital role in balanced regional growth of the industrial sector. Bayineni (1996) states that in an agrarian economy like India, integration of the agro based industries with agricultural activities can strengthen the rural industrialisation process and accelerate economic development of the country. In another study, Rajendran (1998) states that the Small Scale Industry (SSI) units can foster the attainment of self-reliance in the economy along with generating employment and level of output, and thus giving a push to the overall standard of living. In fact, in India, the role of the small scale industries was well appreciated even way back in 1956 in the Industrial Policy Resolution, which argued that the SSI sector is vital for employment generation, achieving equality & decentralisation, and productive utilisation of latent resources.

Due to the labour intensive nature of the MSME sector, it can provide employment to both skilled and semi-skilled/unskilled people with very low investments. Singh et al (2012) while analysing the performance of small scale industry in India views that small scale business has made good progress in the country in terms of number of SSI units, production and employment levels. Naser (2013) reveals that the number of MSMEs has been increasing steadily during the post liberalisation era owing to conducive policy environment. It has resulted in substantial employment generation as the MSME sector is labour intensive. It is especially advantageous for rural people as the MSMEs do not demand highly skilled employees and even semi-skilled and unskilled people can be employed in such units.

As against the national scenario, the contribution of the MSME sector in the North Eastern Region lags far behind. In view of this, the Government of India has classified the North Eastern Region of the country as a category ‘A’ industrially backward region. According to the 4th MSME Census, the working enterprises in the MSME sector in the North Eastern Region of India shares a mere 2.23 per cent of the total working enterprises in India. This industrial backwardness of the Region has been for long revealed by different studies and is an area of concern for the policy makers. In case of Assam too which shares 2.58 per cent of the total population of the country, the registered MSE’s share is only 1.20 per cent. Further, there is a dearth of availability of literature in understanding the socio economic aspects with reference to the laggard performance of the sector in the state of Assam.

The present study is, therefore, conducted with the objectives to have an insight into the socio economic aspects of the rural micro enterprise sectors in State of Assam and to discuss key issues of the micro enterprise sectors in the light of the findings.

II. METHODOLOGY

The present study is based on primary data. The Primary data is collected from 80 rural microenterprises covering four districts of Assam. Three-staged Random Sampling technique is being used in the study to select the sample rural microenterprises of the State. In the first stage, out of the 27 districts in Assam, four districts have been selected based on the household-enterprise ratio (HER) of registered MSMEs divided into four groups – (i) District with high household-enterprise ratio, (ii) District with moderately high household-enterprise ratio, (iii) District with moderately low household-enterprise ratio, and (iv) District with low household-enterprise ratio. One district from each category has been selected to constitute the sample districts as outlined below:

Table 1: HER categories of Sample Districts

| HER Categories | Sample District |
|-----------------|-----------------|
| High | Kamrup |
| Moderately high | Sibsagar |
| Moderately low | Cachar |
| Low | Barpeta |

In the second stage, the four most dominating sectors from among the MSMEs in the State in terms of the number of registered units have been identified for selecting 20 sample micro enterprises each from all four sectors from each identified district. The four sectors which have been identified in terms of their numerical presence across the four selected districts are given below:

Table 2: Sector wise selection of sample micro enterprises

| Sectors | Sample Microenterprise |
|---|------------------------|
| Engineering and Non-conventional Energy | Carpentry |
| Textile Industry | Weaving |
| Agro Based and Food Industry | Food Processing |
| Forest Based Industry | Cane and Bamboo Works |

In the third stage, five sample units from each sector have been drawn randomly for primary data collection. Thus, a total of 80 sample units have been identified for the study drawn from the four sample districts. A structured interview schedule has been prepared at the micro enterprise level for collection of primary data. Primary data is collected through field visits using structured interview schedule.

For analysis of the data collected, a relational data base package using Microsoft Access has been developed for data analysis. Moreover, other tools like tabulation, cross tabulation, descriptive statistics and graphical representations have been used for meaningful interpretation of the data.

III. DISCUSSION

The discussion part is divided into two sections. The first section contains analysis of the rural micro entrepreneurs in social aspects like social category, gender, religion, family size, attainment of education, marital status etc. The analysis of economic aspects such as employment, investment, production etc. are presented in the second section.

A. Social aspects of the Sample Micro enterprises

The analysis of the social profiles of the rural microenterprises are as under-

Profile of Proprietors of Rural Micro enterprises based on Social Category

In terms of social category, the study reveals that majority of the proprietors are from the general category of population (70 per cent) followed by other backward classes (16 per cent), ST (8 per cent) and SC (6 per cent) respectively (Table 3). The entrepreneurs belonging to the OBC category are found to be the highest in Sibsagar district and the lowest in Cachar district. The majority of the entrepreneurs belonging to the ST category are from the Cachar district.

At the level of sample districts also, the dominance of the general group is consistent. The OBC which is the second largest category at the aggregate level is the lowest in Cachar with the remaining three districts having a consistent percentage. The second largest group in Cachar is the ST. As against this, the presence of ST marks absence in the two districts of Kamrup and Sibsagar with a mere presence in Barpeta district. The SC representation though is lowest in aggregate, its representation is found in three out of the four sample districts with no representation in the Barpeta district.

The pattern when analysed across the sample districts, the same dominance of the general group is exhibited except in Cachar where ST stands second to the general group (Table 3). The same when viewed across the micro enterprise sectors, the proprietors belonging to the general group once again maintain the same dominance. In respect of the other three social groups, there are deviations and exceptions. The absence of the SC and ST proprietors in the cane and bamboo sector is an exception and the ST group having the record largest proprietors in respect of the handloom sector is a deviation.

Table 3: District wise Number of Proprietors by Social Group

| Social Category | Districts | | | | Total | Percentage |
|-----------------|-----------|--------|--------|----------|-------|------------|
| | Barpeta | Cachar | Kamrup | Sibsagar | | |
| General | 16 | 12 | 15 | 13 | 56 | 70 |
| OBC | 3 | 1 | 4 | 5 | 13 | 16 |
| SC | - | 2 | 1 | 2 | 5 | 6 |
| ST | 1 | 5 | - | - | 6 | 8 |
| Total | 20 | 20 | 20 | 20 | 80 | 100 |

Source: Field Survey

Table 4: Social Category wise Distribution of Proprietors across Micro enterprise Category

| Social Category | Micro enterprise sectors | | | | Total |
|-----------------|--------------------------|-----------|-----------------|----------|-------|
| | Cane & Bamboo | Carpentry | Food Processing | Handloom | |
| General | 17 | 14 | 16 | 9 | 56 |
| OBC | 3 | 3 | 2 | 5 | 13 |
| SC | - | 3 | 2 | - | 5 |
| ST | - | - | - | 6 | 6 |
| Total | 20 | 20 | 20 | 20 | 80 |

Source: Field Survey

Profile of Proprietors of Sample Micro enterprises by Gender

The distribution of proprietors of the rural micro enterprises in terms of gender composition across sample micro enterprise sectors and sample districts respectively is shown in Table 5&6. A look into the distribution of the proprietors of the micro enterprises by gender shows that around two third (63.75 per cent) of the entrepreneurs are male while only 36.25 per cent are female. The pattern prevails across districts also (Table 6). On analysis, it is observed that there is alteration in male dominance in the handloom and food processing sectors. With less than 25 per cent of female participation, the carpentry and cane and bamboo sectors are mostly male dominated with majority of the entrepreneurs being male.

Table 5: Distribution of Proprietors across Micro enterprise Sectors by Gender

| Gender | Micro enterprise Sectors | | | | Total | Percentage |
|--------|--------------------------|-----------|-----------------|----------|-------|------------|
| | Cane & Bamboo | Carpentry | Food Processing | Handloom | | |
| Male | 17 | 19 | 8 | 7 | 51 | 63.75 |
| Female | 3 | 1 | 12 | 13 | 29 | 36.25 |

Source: Field Survey

Table 6: Distribution of Proprietors across Sample Districts by Gender

| Gender | Districts | | | | Total |
|--------|-----------|--------|--------|----------|-------|
| | Barpeta | Cachar | Kamrup | Sibsagar | |
| Male | 16 | 11 | 13 | 11 | 51 |
| Female | 4 | 9 | 7 | 9 | 29 |

Source: Field Survey

Distribution of Rural Micro enterprises based on Education Attainment of Proprietors

An analysis of attainment of education by the proprietors is given in *Table 7&8* respectively. Across the sample districts, Sibsagar district is found to have the largest number of graduates who have taken up self-ventures.

A look into the distribution of the micro enterprises in terms of attainment of education by the proprietors of the units across sectors show that a little over half of them (52.5 per cent) have studied up to the Higher Secondary level with 26.25 per cent having read up to class X. The remaining 21.25 per cent have either completed graduation or post-graduation studies. It is interesting to note that none of the proprietors among those surveyed possess any technical qualification or degree. Across the sample micro enterprise sectors, the level of education attainment exhibits a few characteristics. The handloom sector marks less number of proprietors who have attained graduation. The food processing sector has the maximum number of proprietors who have either completed higher secondary or graduation. As against this, the cane and bamboo sector resembles the aggregate pattern.

Table 7: Distribution of Rural Micro enterprises based on Education Attainment of Proprietors across Micro enterprise Sectors

| Education | Micro enterprise Sectors | | | | Total | Percentage |
|----------------------|--------------------------|-----------|-----------------|-----------|-----------|------------|
| | Cane & Bamboo | Carpentry | Food Processing | Handloom | | |
| V to X | 6 | 5 | 2 | 8 | 21 | 26.25 |
| Upto HS | 12 | 11 | 12 | 7 | 42 | 52.5 |
| Upto Graduate | 1 | 4 | 5 | 5 | 15 | 18.75 |
| Upto Post - graduate | 1 | - | 1 | - | 2 | 2.5 |
| Total | 20 | 20 | 20 | 20 | 80 | 100 |

Source: Field Survey

Table 8: Distribution of Rural Micro enterprises based on Education Attainment of Proprietors across Sample Districts

| Education | Districts | | | | Total |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| | Barpeta | Cachar | Kamrup | Sibsagar | |
| V to X | 6 | 6 | 6 | 3 | 21 |
| Upto HS | 10 | 10 | 11 | 11 | 42 |
| Upto Graduate | 4 | 3 | 2 | 6 | 15 |
| Upto Post – graduate | - | 1 | 1 | - | 2 |
| Total | 20 | 20 | 20 | 20 | 80 |

Source: Field Survey

Distribution of Rural Micro enterprises based on Religion of Proprietors

Religion wise spatial and sectoral distribution of the proprietors of the rural micro enterprises is shown in *Table 9&10* respectively. At the aggregate level, the proprietors across districts belong to two religious faiths – Hindu and Muslim, with the former constituting nearly two third of the total. Spatially, though there is alteration in the Hindu majority status in the Barpeta district with proprietors belonging to the Muslim faith being the majority, sectorally, the dominance of Hindu proprietors is observed across all four sectors. Across sectors, around two-third of the entrepreneurs are Hindus by faith and the rest are Muslims.

Table 9: Distribution of Rural Micro enterprises based on Religion of Proprietors across Micro enterprise Sectors

| Religion | Micro enterprise Sectors | | | | Total | Percentage |
|----------|--------------------------|-----------|-----------------|----------|-------|------------|
| | Cane & Bamboo | Carpentry | Food Processing | Handloom | | |
| Hindu | 14 | 11 | 13 | 18 | 56 | 65 |
| Muslim | 6 | 9 | 7 | 2 | 24 | 35 |

Source: Field Survey

Table 10: District wise Distribution of Rural Micro enterprises based on Religion of Proprietors

| Religion | Districts | | | | Total |
|----------|-----------|--------|--------|----------|-------|
| | Barpeta | Cachar | Kamrup | Sibsagar | |
| Hindu | 8 | 17 | 18 | 14 | 57 |
| Muslim | 12 | 3 | 2 | 6 | 23 |

Source: Field Survey

Distribution of Rural Micro enterprises based on Age of Proprietors

An analysis of the age composition of the proprietors of the rural micro enterprises is provided in *Table 11&12* respectively. As seen in the *Tables*, as high as 92.50 per cent of the proprietors are in three age groups of

26-35, 36-45 and 55 years and above respectively. The proprietors representing the age group of 25 and below and 55 years and above are only 3.75 per cent each. The pattern is by and large similar across the four sample districts. The sector wise distribution of the enterprises based on age of the proprietors also show similar trends.

Table 11: District wise Distribution of Sample Micro enterprises in terms of Age of Proprietors

| Age Group (Yrs.) | Districts | | | | Total | Percentage |
|------------------|-----------|--------|--------|----------|-------|------------|
| | Barpeta | Cachar | Kamrup | Sibsagar | | |
| Upto 25 | 1 | - | 1 | 1 | 3 | 3.75 |
| 26 to 35 | 5 | 3 | 6 | 6 | 20 | 25 |
| 36 to 45 | 7 | 7 | 10 | 10 | 34 | 42.5 |
| 46 to 55 | 5 | 10 | 2 | 3 | 20 | 25 |
| above 55 | 2 | - | 1 | - | 3 | 3.75 |
| | 20 | 20 | 20 | 20 | 80 | 100 |

Source: Field Survey

Table 12: Distribution of Sample Rural Micro enterprises in terms of Age across Micro enterprise Sectors

| Age Group (Yrs.) | Micro enterprise Sectors | | | | Total |
|------------------|--------------------------|-----------|-----------------|----------|-------|
| | Cane & Bamboo | Carpentry | Food Processing | Handloom | |
| Upto 25 | 1 | - | 2 | - | 3 |
| 26 to 35 | 2 | 4 | 6 | 8 | 20 |
| 36 to 45 | 11 | 9 | 10 | 4 | 34 |
| 46 to 55 | 6 | 4 | 2 | 8 | 20 |
| above 55 | - | 3 | - | - | 3 |
| Total | 20 | 20 | 20 | 20 | 80 |

Source: Field Survey

Distribution of Rural Micro enterprises in terms of Marital Status

The marital status of the proprietors of the rural micro enterprises both spatially and sectorally is presented in *Table 13&14* respectively. The distribution of the proprietors in terms of marital status across both districts and micro enterprise sectors exhibit uniform patterns. The majority of the proprietors across the micro enterprise sectors are married with only 16.25 per cent of them being unmarried.

Table 13: Distribution of Proprietors of Sample Rural Micro enterprises in terms of Marital status across Micro enterprise Sectors

| Marital Status | Micro enterprise Sectors | | | | Total | Percentage |
|----------------|--------------------------|-----------|-----------------|----------|-------|------------|
| | Cane & Bamboo | Carpentry | Food Processing | Handloom | | |
| Married | 17 | 17 | 16 | 17 | 67 | 83.75 |
| Unmarried | 3 | 3 | 4 | 3 | 13 | 16.25 |
| Total | 20 | 20 | 20 | 20 | 80 | 100 |

Source: Field Survey

Table 14: District wise Distribution of Proprietors of Sample Micro enterprises in terms of Marital Status

| Marital Status | Districts | | | | Total |
|----------------|-----------|--------|--------|----------|-------|
| | Barpeta | Cachar | Kamrup | Sibsagar | |
| Married | 17 | 17 | 16 | 17 | 67 |
| Unmarried | 3 | 3 | 4 | 3 | 13 |
| Total | 20 | 20 | 20 | 20 | 80 |

Source: Field Survey

Distribution of Rural Micro enterprises in terms Family Size of Proprietors

Family size in terms of average number of family members across sample districts and micro enterprise sectors is given in *Table 15&16* respectively. The *Tables* show that the proprietors belong to small families averaging 4.16 persons per family. There is however, variation in family size both spatially and sectorally. A district wise distribution of sample rural micro enterprises in terms of family size of the proprietors show that the average family size of proprietors in the Barpeta district is the highest, while, it is less than four persons in Kamrup and Sibsagar districts respectively. Across sectors, the average family size in the handloom sector is found to be the highest with the carpentry sector having the lowest family size of less than four members.

Table 15: District wise Distribution of Sample Rural Micro enterprises in terms of Family Size of Proprietors

| Family Size | Districts | | | |
|---------------------|-----------|--------|--------|----------|
| | Barpeta | Cachar | Kamrup | Sibsagar |
| Average Family Size | 4.6 | 4.15 | 3.95 | 3.95 |

Source: Field Survey

Table 16: Distribution of Sample Rural Micro enterprises in terms of Family Size of proprietors across Micro enterprise Sectors

| Family Size | Micro enterprise category | | | |
|---------------------|---------------------------|-----------|-----------------|----------|
| | Cane & Bamboo | Carpentry | Food Processing | Handloom |
| Average Family Size | 4.05 | 3.85 | 4.25 | 4.5 |

Source: Field Survey

B. Economic aspects of the Sample Micro enterprises

The analysis of economic aspects like employment generation, production, income, investment and raw material availability of the sample micro enterprises are presented in this section.

Employment Generation across Micro enterprise Sectors

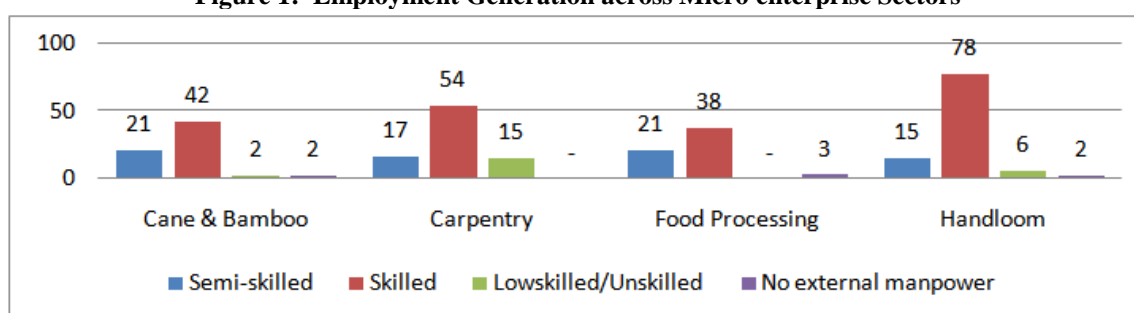
The employment status by skill level analysed across the rural micro enterprise sectors is presented in Table 17. A look into the Table shows that a total of 80 sample micro enterprises across the sectors have generated employment capacity for 316 persons, the average per unit being 3.96 persons. Across sectors, the variation in absorption per unit is from a minimum of 3.1 person to a maximum of 5.05 persons. The handloom sector with 5.05 persons per unit exhibits higher absorption capacity as compared to the other three sectors. While the carpentry sector has a capacity of more than 4.3 persons, the same is less than 4.0 persons in cane and bamboo and food processing sectors respectively. An analysis of the skill level of the persons employed shows that the employment scenario of the rural micro enterprises is primarily a field of skilled (69.31 per cent) and semi-skilled (23.42 per cent) persons. The lowly skilled and unskilled have no place at all.

Table 17: Employment Generation across Micro enterprise Sectors

| Type of Employment | Cane & Bamboo | Carpentry | Food Processing | Handloom | Total | Percentage |
|---------------------------|---------------|------------|-----------------|-------------|-------------|------------|
| Semi-skilled | 21 | 17 | 21 | 15 | 74 | 23.42 |
| Skilled | 42 | 54 | 38 | 78 | 212 | 67.09 |
| Low skilled/Unskilled | 2 | 15 | - | 6 | 23 | 7.28 |
| No external manpower | 2 | - | 3 | 2 | 7 | 2.22 |
| Total | 67 | 86 | 62 | 101 | 316 | 100 |
| Average employment | 3.35 | 4.3 | 3.1 | 5.05 | 3.95 | |

Source: Field Survey

Figure 1: Employment Generation across Micro enterprise Sectors

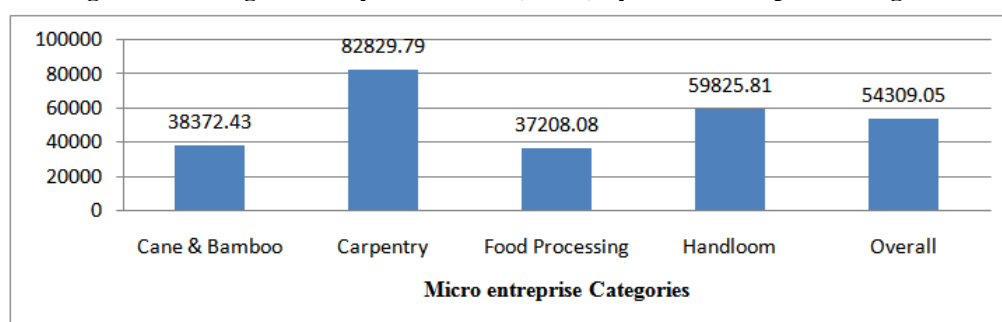


Source: Field Survey

Average Monthly Production across Micro enterprise Sectors

The production of micro enterprises per unit per month in money value has been analysed across the four sectors of rural micro enterprises. The production value per micro enterprise per month stands at Rs. 54,309.05 at the aggregate level. A comparison of the status of the aggregate level with that of the sectoral level shows that there is a variation in production of higher nature ranging from a minimum of Rs. 37,208.08 to a maximum of Rs. 82,829.79 per month. The monthly average value is highest in the carpentry sector and lowest in the food processing sector. While in the handloom sector, it is closer to the value at the aggregate level.

Figure 2: Average Monthly Production (in Rs.) by Micro enterprise Categories

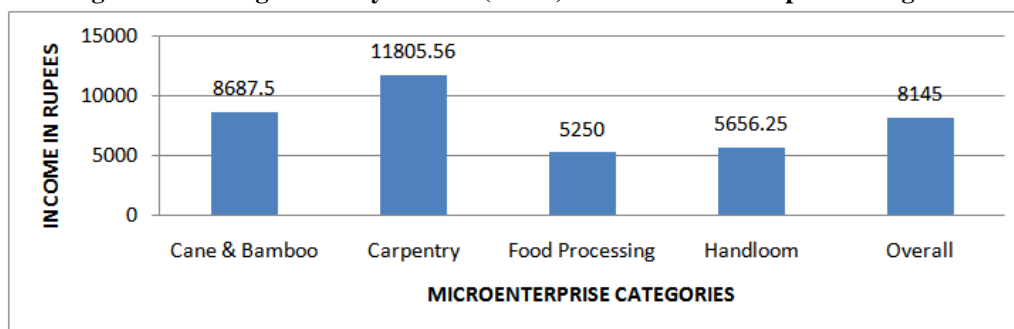


Source: Field Survey

Average Monthly Income across Micro enterprise Sectors

The income from the rural micro enterprises on per month per unit count further has been analysed here. The average income stands at Rs. 8145 at the aggregate level for all rural micro enterprises. As compared to the aggregate level of income, there is wide variation of income across sectors ranging from a minimum of Rs. 5250.00 to a maximum of Rs. 11805.56 per month. Among the sectors, food processing and handloom sectors have registered low level of average income as compared to the cane and bamboo and carpentry sectors.

Figure 3: Average Monthly Income (in Rs.) across Micro enterprise Categories



Source: Field Survey

Investment Status of Rural Micro enterprises of Assam across Sectors

The investment made in rural micro enterprises is analysed across sectors here. The analysis takes into account the investment on plant and machineries over a period of five years preceding the year of survey. The average investment per unit over the five year period stands at Rs. 65,427.80. But, variations across sectors are highly discernible. A sector specific analysis of average investment in plants and machineries shows that the average investment in the carpentry sector has been the highest while it is lowest in the handloom sector. In three sectors, viz., cane and bamboo, food processing and handloom sector, the investment is in the range of about Rs. 42,000-50,000. The same for the carpentry sector is found to be more than double at Rs. 1,23,593.

A look into the sources of finance reveals that most of the units across sectors are self-financed (76.40 per cent) with only 15.43 per cent of the units availing institutional finance. It is also found that a few units have availed finance from non-institutional sources. An analysis across sectors reveals that access to institutional finance is highest in the carpentry sector (30.21 per cent) while it is lowest in the food processing sector (5.81 per cent). Investments from own sources is found to be more prevailing in the cane and bamboo and handloom sectors respectively.

Table 18: Investment Status of the Rural Micro Entrepreneurs of Assam

| Sector | Average Investment in Last Five Years (Rs.) | Source of Investment (%) | | | |
|-----------------|---|--------------------------|-----------------------|---------------------------|-------|
| | | Self-Finance | Institutional Finance | Non-institutional Finance | Total |
| Cane & bamboo | 49641 | 75.65 | 14.11 | 10.24 | 100 |
| Carpentry | 123593 | 58.73 | 30.21 | 11.06 | 100 |
| Food processing | 46549 | 90 | 5.81 | 4.19 | 100 |
| Handloom | 41928 | 81.23 | 11.6 | 7.17 | 100 |
| Overall | 65427.8 | 76.40 | 15.43 | 8.17 | 100 |

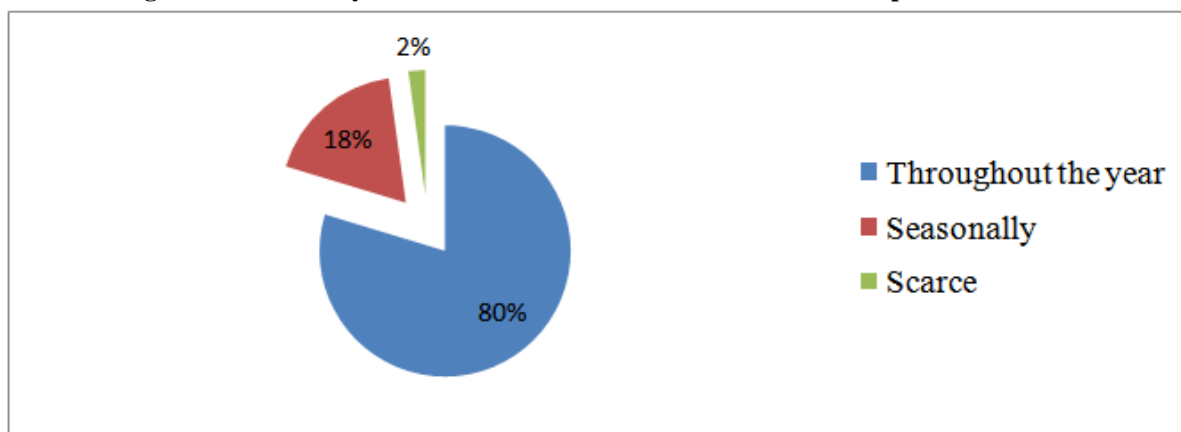
Source: Field Survey

Raw Material Status of Rural Micro enterprises of Assam

The raw material status across micro enterprise sectors has been analysed in terms of cost, price, availability and sources of the raw materials used. The availability of raw material and distance of the raw material source play an important role in determining the price of raw materials as well as the price of the goods produced.

The availability status of raw materials has been categorised into three broad groups – (i) available throughout the year, (ii) available seasonally, and (iii) scarce. It is found that around 80 per cent of the rural micro enterprises get the raw material throughout the year. For atleast 18 per cent, the raw materials are seasonally available and for the remaining two per cent, it is scarce.

Figure 4: Availability Status of Raw Materials of Rural Micro enterprises of Assam



Source: Field Survey

An examination of the sectoral status further shows that except for the food processing sector, the raw material for other sectors is available throughout the year. The raw material required in respect of the food processing sector is seasonal in nature as reported by 45.6 per cent of the enterprises.

Table 19: Percentage wise Availability of Raw Materials across Micro enterprise Sectors

| Sectors | Availability of raw material used (Percentage) | | | Total |
|-----------------|--|------------|--------|-------|
| | Throughout the year | Seasonally | Scarce | |
| Cane & Bamboo | 84 | 14.5 | 1.5 | 100 |
| Carpentry | 90.88 | 6.55 | 2.56 | 100 |
| Food Processing | 51.3 | 45.6 | 3.1 | 100 |
| Handloom | 92.58 | 5.82 | 1.59 | 100 |

Source: Field Survey

The nature of access to the sources of raw materials has been analysed under three categories – (i) locally within the village, (ii) nearby markets, and (ii) distant market places. The figure below reveals that 62 per cent of the rural micro enterprises get their required raw material from the nearby markets and 32 per cent locally from within the village. Only seven per cent get the raw materials from distant markets.

IV. FINDINGS

The socio economic profile of the sample micro enterprises has thrown several important insights into the status of micro enterprise sector in Assam. In terms of social category, the micro enterprise sector is still dominated by general category of population. The participation of socially disadvantageous sections like SC, ST and OBC is minimal. Another important dimension is that the participation of STs continues to be limited to the handloom sector only. Thus, it infers that there is a need for improving the reach of the micro enterprises development initiatives among the socially disadvantageous categories of population. The participation on account of gender reveals unequal participation in micro enterprise activities as women proprietors accounting 36.25 per cent is much lower than their male counterpart. Again, the sectors like Cane and Bamboo and Carpentry are heavily dominated by male with very little participation of female. The participation of female is more than fifty per cent only in two sectors i.e. food processing and handloom. In other words, female participation is limited to certain micro enterprise sectors only. There is thus a strong need towards encouraging and capacity building among women to bring about gender parity in the promotion of entrepreneurship in the State.

The empirical evidences on the education attainment of the entrepreneurs show that majority (78%) of the entrepreneurs have studied only up to HS level. Secondly, none of the entrepreneurs have any technical education. There is thus a need to promote entrepreneurship among the technical and higher educated section of people. In other words, entrepreneurship as a profession still lacks the charm among the higher and technically educated section of people.

In terms of religion, the surveyed micro enterprises are found to be from two religions only i.e. Hindu and Muslim. It is notable that the participation of the two religious groups in micro enterprise activities is almost at par with the population distribution pattern of the concerned districts. In Barpeta district, for example, the majority of the entrepreneurs are from Muslim religion. It may be stated that religious belief, per se, has little bearings on entrepreneurship in the State.

The employment generation of the micro enterprise sectors on being analysed by three types of skills, it is observed that more than two third of the total are skilled and semi-skilled manpower. The low skill or unskilled manpower particularly in carpentry, handloom and cane and bamboo sector constitutes a very small portion. This indicates that the absorption of skilled workers in the micro enterprise sector is high in the State. Any skill development initiatives necessarily need to take into account the type of skilled manpower required for these sectors. Therefore, the skill development programmes have to be need-specific and conducting them in association with the MSMEs can help in maintaining and improving the manpower support as well as ensuring the productivity of the sector in Assam.

In the analysis of the production of the surveyed micro enterprises, it is observed that the production in carpentry sector is highest among all and the same is lowest in the food processing sector. This high and low production scenario, however, revolves around a monthly average production value of just above Rs. 50,000/- which is not at all an encouraging figure. Likewise, similar status is observed in the case of average income too as it works out to be only at Rs.8145/- per month. Across the sectors, it is quite low in the food processing and handloom sectors i.e. Rs.5250/- and Rs.5656/- per month respectively. The monthly average income is more than ten thousand rupees (Rs.11,806 per month) only in case of the carpentry sector. The average production and income in micro enterprises, therefore, are causes of concern in the State. There is obvious need for improvement in the productivity and earning level in order to attract young workforce towards the micro enterprise sector.

On the investment front, it is observed that the average investment in plants and machineries is only Rs.65,427 during the last 5 years. Except the carpentry sector, where the average investment is more than a lakh, the same in rest of the three sectors is below rupees fifty thousand (Rs. 50,000). Low infusion of technology thus is evident in the micro enterprise sector in Assam. Given the level of investment in technology and machinery, the enhancement of productivity, quality and profitability is difficult to achieve. The analysis of the source of finance reveals further that most of the investment requirement of the sector is fulfilled from own finance while institutional credit from banks and financial institutions fulfill only 15.43 per cent. In other words, the penetration of institutional credit among the micro enterprises is at low level. Further, a small portion of the entrepreneurs availing credit from non-institutional sources for meeting their investment requirements reveals disturbing evidence that stands on the way to enterprise growth and performance in the State.

The status of availability of the raw material shows that large portion of the raw material (80%) is available to the micro enterprises throughout the year. But in the case of the food processing sector, the availability of a considerable portion of the same is found seasonal. In the cane and bamboo sector, on the other hand, the availability of cane is witnessing a declining status impacting adversely the price of cane products.

V. CONCLUSION

The empirical evidences of the study suggests that in terms of social category, the micro enterprise sector is still dominated by general category of population. The participation of socially disadvantaged sections like SC, ST and OBC is minimal. The participation on account of gender (36.25%) is lower than their male counterpart. On education attainment, the level of majority (78%) is up to HS only. Thus, there is a need to enhance the reach of entrepreneurship promotion initiatives among the socially disadvantaged and women. On economic aspects, the findings of the study reveals that the economic scenario of the microenterprise sector in Assam is not encouraging in term of production, investment and income front. The employment with an average employment of four persons per unit is decent. Majority of the entrepreneurs (76.40 %) still do not have access to formal sources of finance and therefore, mostly depend upon own capital and informal sources. Seasonal availability and storage facility of raw materials is still a concern for the entrepreneurs of the region. Therefore, in order to address the laggard scenario of microenterprise sector in Assam, intervention like facilitating access to credit from formal sources, provision for storage facility for raw materials, better infrastructure for production enhancement etc. are the need of the hour.

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