CHAPTER – II

REVIEW OF LITERATURE
2.1 Introduction

World has become a global hub for academic as well as industrial research. The present day research is driven by modern technology and innovation. Internet, being one of the major sources for accessing several literatures; has become the reservoir of academic and research knowledge in the contemporary times. The present study is mainly intended to discuss about the issues pertaining to micro enterprises of Arunachal Pradesh along with the theoretical highlights of the literature available on micro entrepreneurship and enterprises in the global context.

The study explains the concept of micro enterprises from several dimensions. Hence, the literatures are being reviewed with a view to cover the different aspects and dimensions of micro enterprises. Review of literature form a base for building up theoretical knowledge and understanding about the main theme and various other related themes of the study. The review of literature has been divided into nine sections based on the objectives of the study.

Section 1: The first section of the review of literature is focused on highlighting the issues pertaining to entrepreneurial studies conducted in the context of Arunachal Pradesh.

Section 2: This section is primarily focused on presenting the literatures on the profile and attributes of micro entrepreneurs.

Section 3: It covers certain aspect like growth, development, status, performance and progress of micro enterprises in Arunachal Pradesh as well as in the world.

Section 4: The fourth section highlight studies on employment related aspects of micro enterprises in particular and other categories of enterprises in general.
Section 5: The revenue and profit aspects of micro enterprises are dealt with in this review section.

Section 6: The sixth section has explored the marketing and export potentiality of micro enterprises.

Section 7: The problems related aspects of enterprises and entrepreneurship are covered in this section.

Section 8: This section has focused on issues related to finance and role of financial agencies and credit facilities.

Section 9: This section focused on other important issues and dimensions related to micro enterprises which are not covered in the previous sections of this review unit.

2.2 Literature on Entrepreneurship in Arunachal Pradesh

Agarwal (1987) in “Efficacy of Planning in North Eastern Region with Special References to Arunachal Pradesh” has highlighted the planning and storage of resources in Arunachal Pradesh. The study emphasized on the rural industrialization through appropriate technology. The horticulture production particularly Apples, Pineapples, Oranges, etc have made significant contribution to the state economy. The study traces out the potentiality of coal and crude oil deposits of the state. Further, it is revealed that state has other mineral resources like, limestone, dolomite and graphite. The study further emphasized on the role of APIDFC for promotion of entrepreneurship in the state.

Behera and Mantaw (1998) in their paper “Growth of Entrepreneurship in Arunachal Pradesh- Problems and Prospects: A Study with Reference to Khamti Tribe” discussed about entrepreneurship among the Khamti community of Lohit
district of the state. The study identified both industrial and non-industrial activities of the said community. The study found that Khamtis are associated with different kinds of entrepreneurial ventures. It is also revealed that the entrepreneurial activities among the Khamtis are confined to few families. The study region has shown the growth of wood based and plantation industries. The researchers found that entrepreneurs had very little knowledge about activities in electronic goods, chemical, plastic industries, etc.

Mitra and Chobin (1998) in “Industrialisation and Entrepreneurial Development: A study of Ziro Town in Arunachal Pradesh” observed that very few local entrepreneurs have emerged in the modern phase of development. The study found that the local entrepreneurs are mainly the first generation entrepreneurs in the state. Further, study revealed that majority of the entrepreneurs does not possess the proper education. The graduates who do not get absorbed in the government jobs have started their career as entrepreneurs in the study area.

Roy and Kuri (1998) made a study on “Risk, Transaction Cost and Entrepreneurship Development in Arunachal Pradesh”. The study highlighted that the entrepreneurship in Arunachal Pradesh is insignificant. The study found that little entrepreneurship has been provided by the non-locals or migrant people in the state. It is revealed that in spite of government efforts, industries did not grow much. The local preferences shifted to industrial goods produced somewhere else. The research mentioned that one of the problems in entrepreneurship is the effect of high transaction costs in the modern sector.

Anu (2001) made a study on “The Role of Arunachal Pradesh Khadi and Village Industries Board in Rural Industrialisation: A Case Study of Papum Pare District”. The study focuses on the kind of assistance provided by the APKVIB for
the development of rural entrepreneurship in Papum Pare District of Arunachal Pradesh. Further, study showed that Khadi and Village Industries Board plays a vital role in inculcating entrepreneurship among the local people of the district.

Chobin (2002) conducted a study on the “Problems and Prospects of Industrial Development in Arunachal Pradesh: A Case Study of Lower Subansiri and Papum Pare District.” The study examines the industrial scenario and identifies the factors responsible for slow growth of industries in Lower Subansiri and Papum Pare district. Further the researcher has attempted to identify the industries based on locally available resources having potentiality for development in both the districts. The study found that the local industries fail to grow at a large scale in spite of the tremendous government support and the people of the district lack entrepreneurial zeal.

Doji (2003) had conducted a study on “Problems and Prospects of SSIs in Arunachal Pradesh: A Case Study of SSI Units in Along Circle with Reference to Resource Utilization”. This study focused on the impact of SSI units in social and economic life of local-tribal people of Along Circle of West Siang district of Arunachal Pradesh. The study examined the problems which are associated with the existing Small Scale Industrial units and identified the units are facing problem in the form of infrastructural bottlenecks, lack of government support, geographical isolation, etc.

Moyong (2007) studied on the “Role of DICs for the Development of SSI in East, West and Upper Siang District of Arunachal Pradesh”. The study observed that the development of SSIs in the state is much below than the desired level in comparison to other states of the country. It was also depicted that various problems are associated with the industries working in the study districts. The study shows that
after establishment of DICs, the state has witnessed the momentum of development in SSI sector. The study highlighted the weaknesses in the working of DICs in promoting industries in the studied districts.

Singh and Singh (2008) made a study on “Gekong-Galonng- Traditional Weaving Technology of Adi Tribes of Arunachal Pradesh.” The paper presents the traditional weaving and related knowledge system on some selected villages of Adi community of the state. Further, the study discussed about the wisdom of Adi women in weaving and conservation of cultural diversity attached with traditional livelihood. The study found that there is ample scope and potential of weaving and handicrafts technology in Arunachal Pradesh as well as in Northeastern region. The weaving can be good source of livelihood for the Adi women. However, women are engaged in traditional weaving. The various requirements in operating in such entrepreneurial venture are financial requirement, the need for training and marketing support as well as acknowledgment, rewarding and promoting of such group through various incentives.

Deb (2012) studied on “Rural Entrepreneurship, A Perspective with Special Reference to Arunachal Pradesh: An Empirical Study”. The study was conducted in Papum Pare district of Arunachal Pradesh by covering 30 village industries as samples. The study explains that Arunachal Pradesh is having abundant natural resources, but these resources remain untapped and unexploited. The study revealed that the timely monitoring of their units is strongly needed by the concerned entrepreneurs. Further, the study found that most of the entrepreneurs in the state are unaware of the government schemes and subsidies. Entrepreneurs do not have adequate knowledge about the benefits of registering their enterprises with the DICs. The study dealt with the role of village industries in the socio economic development
of Arunachal Pradesh. It revealed that there is necessity of extending facilities provided by the government to the rural areas for promoting agro based and locally available material based industries. Further, the study also revealed that the village industries are important means of creating good opportunities for rural entrepreneurship.

Moyong (2012) in his study "Employment and Prospects of Rural Entrepreneurship in SSI sectors in Arunachal Pradesh: Evidences from Third SSI Census Report," finds that most of the entrepreneurs are the first generation entrepreneurs in Arunachal Pradesh. The study also reveals that there are ample scope for development of industries in rural areas of Arunachal Pradesh like tourism, food processing and pickle making, etc., which can provide huge employment opportunities in the state.

Drema (2013) in her research study on "Entrepreneurship Development in Micro, Small and Medium enterprises (MSMEs) in Arunachal Pradesh" has examined about the management problems faced by entrepreneurs who are operating in micro, small and medium enterprises. The study has covered six districts of Arunachal Pradesh. It highlights the institutional role for promoting entrepreneurship in the state. The aspect of marketing and finance in MSMEs as well as the consultancy services available for the MSMEs are also being studied. The study finds that entrepreneurship culture is still in the nascent stage in the state and concerted efforts from all the sectors are needed for inculcating entrepreneurial spirit among the youth of the state. The study suggested that various schemes and policies must be implemented properly, so that it will attract more people to start enterprises.

Ehili and Sharma (2013) made a study on "Rural Livelihood Development in Arunachal Pradesh-An Implication of State Industrial Policies". The study attempted
to review the existing literature on rural development which gave insights on the approach for rural development in Arunachal Pradesh. The study highlights the implications of objectives and scope of state industrial policies of Arunachal Pradesh in rural development.

**Sharma and Chanu (2014)** had made a study on “Micro Enterprises of North East India: A Comparative Study of Arunachal Pradesh and Manipur.” The authors have tried to bring light on micro enterprises of North East India with reference to Arunachal Pradesh and Manipur. The growth rate and preference sector (manufacturing or service) of micro enterprises of both the states were examined and analyzed. The study revealed that there are significant differences between the growth of micro enterprises of Arunachal Pradesh and Manipur. Micro enterprises are found to be more concentrated in Manipur and the growth rate is more stable in case of Manipur than Arunachal Pradesh. Further, the study found that majority of the micro enterprises of both the states prefer to be engaged in manufacturing of products rather than providing services. The study concluded that micro enterprises of the selected regions of North East India are mostly engaged in manufacturing of different kinds of products and are showing growth in present times.

**Sharma and Baruah (2014)** studied on the “Micro Enterprise as Trigger for Economic Development: An Introspection”. The study has pointed out the growth of micro enterprises in Papum Pare district is not been consistent. Further, the study has highlighted the significant relationship between investment-production and production-employment in micro enterprises of Papum Pare district. A link between investments, production, and employment has been established. However, the worrying aspect of an unfavorable micro entrepreneurial growth has also been observed in the study.
Sharma and Parida (2014) in “Performance of Small & Medium Enterprises (SMEs) in Arunachal Pradesh: A Case Study of Papum Pare District,” had reviewed the entrepreneurial scenario in the state after the commencement of MSME Act 2006. The research analyses the income and employment generation capabilities of the SME units in the district. The survey also shows that the district accounts for the 24.21 percent of the total number of MSME in the state. The total number of SMEs in the district is 76, out of which 21.05 percent of SMEs are temporarily not functioning. The study highlights that most of the enterprises are established in the urban or semi-urban areas in the district. And only a few numbers of units are working in the Industrial Estates of the state.

Sharma and Parida (2014) again made a study on the “Performance of Micro Enterprises: A Study through Labour Turnover”. The study has been conducted with the main objective to measure the performance of micro enterprises through the appraisal of employee turnover. For the purpose of the study some important variables were taken up like average employee turnover, level of employee turnover, remuneration to employees, other incentives and benefits provided to the employees, the level of technology with which the employees are assigned, training and development programs conducted for the employees, etc. It is revealed in the study that the employee turnover is not affecting the performance of micro enterprises of the study region. The study also found that workers are productive when all the necessary working conditions are favorable and at the same time adequate and timely incentives are provided.
2.3 Literature on Profile of Micro Enterprises

Thechatakerng (2009) in his study on “Determinants on Micro-Entrepreneurs Innovation,” highlights the impact between characteristic of micro entrepreneurs and micro enterprises with innovation. The study also examined the relation between entrepreneurs’ preference of the business and type of innovation. It also identified innovation is in relation to the economic performance of entrepreneur. The study is based on 29 entrepreneurs in handcraft silverware from Wualai community, as the silverware is the most famous product of the Wualai community. The study traced that entrepreneurs with more experience have implemented greater product innovation. It is also found that the small enterprises are likely to innovate more as compared to the micro enterprises.

Weerakoon (2013) had worked on the “Firm level Characteristics and Market Orientation of Micro and Small Businesses”. The study had tried to identify differences in the level of market orientation according to difference in the characteristics of the firm. A sample of 49 micro and small business units of Badulla district of Sri Lanka was taken up for the study. The main finding of the study revealed that none of the sample firms of the selected region are adopting high level market orientation, and most of the firms are found in the category of firms involve in lower level or medium level of market orientation.

Chakraborty (2014) studied on “Socio-Economic Determinants of Growth of Rural Entrepreneurship in Sonitpur District of Assam- An Empirical Study”. The study was conducted in Sonitpur district of Assam. A sample of 288 rural entrepreneurs was selected for the purpose of the study and the data obtained from the sample units were used to analyze about the socio economic background of the rural entrepreneurship in the district. The study found that the socio economic condition of
rural entrepreneurs in the district is above average. The researcher suggested for a collective effort from both the government as well as the rural masses for the development and growth of rural entrepreneurship in Sonitpur district.

2.4 Literature on Performance and Growth of Micro Enterprises

Gedam (1991) studied on “Industrialisation in India”. This study has focused on the significance of industrialization in the country and had emphasized industrialization process should be equal in every part of the country. It was opined that every big city in the country is having adequate facilities for taking up industrial activities without much effort. However, the scenario is not same in case of rural and geographically isolated regions. Further, the study emphasized on the development of industrial sector in rural areas also. The study conclude that the healthy expansion of the cottage and small industries depends upon factors like provisions of raw material, cheap power, technical advice, organised marketing and safe guard against the intensive competition from large manufacturers.

Carvo (2010) made a study on “SMEs and Economic Growth in the Brazilian Micro-Regions.” The study had examined the relationship between SMEs and the economic growth of micro regions. For the purpose of the study 508 micro-regions from the period of 1988 to 2004 were taken up. The study investigated into the importance of SME employment in the total employment of the studied region. The study found that SMEs do not have same performance for both groups of micro-regions i.e., rich region and poor region. The poor micro regions indicated that the size of SME sector is making insignificant effect on economic growth and SME’s human capital has no clear effect, but for rich regions SME’s human capital plays a positive role in the economic growth. Further, the study suggested that different
policies are required in different regions so as to anticipate similar level of
development in both the categories of micro regions.

on the performance of MSME sector through the data obtained from the Fourth All
India Census on MSME. The census survey adopted different methodologies for
registered and unregistered sectors. The complete enumeration survey was taken for
registered MSME units whereas sample survey was resorted to unregistered units
under MSME sector. In the census, the growth and performance of enterprises along
with employment, output production and investment of enterprise during different
years were examined. It was found that growth rate of the enterprises in registered
sector during the year 2001-02 to 2006-07 was 15.30 percent, whereas the growth rate
of enterprises engaged in unregistered sector was found to be 30.05 percent, which is
much higher than the registered sector. The report also highlights the roles and
functions of different industrial development institutions and government agencies. It
covers various activities undertaken for industrial growth in the north eastern region
of India and various other activities and programmes meant for promoting women
entrepreneurship in the country.

Dangi and Ritika (2014) work on “Women Entrepreneurship and Growth and
Performance of MSMEs in India”, analysed the growth and performance of MSMEs
in India from 2001-02 to 2011-12 using Compound Annual Growth Rate (CAGR)
method. Further, the study had outlined the different problems faced by the women
entrepreneurs in India. The findings of the study revealed that women entrepreneurs
are faced with many kinds of problems in their path of becoming a successful
entrepreneur. They also highlighted the government’s initiative for development of
women entrepreneurs in India. The study concluded that the MSMEs in India have to go long way to reach the success of Indian economy.

Saikia and Das (2011) made a study on “Entrepreneurship and Micro & Small Enterprises Growth in Assam” and examined the growth of Micro and Small Enterprises in Assam by using different indicators such as employment, number of units, etc. The study was based on NSSO data on unorganised manufacturing sector of Assam for the period of 1994-95 to 2005-06. It is observed that a significant growth took place during 2000-01 to 2005-06 in the Micro & Small Enterprises in Assam. It is also observed that, despite of having huge potentiality for creation of employment, micro and small enterprises in Assam are unable to generate enough employment for the people.

2.5 Literature on Employment of Micro Enterprises

Sharma (2014) made a study on “Employment Situation of Small Enterprises in Papum Pare District of Arunachal Pradesh”. The study brought light on the small enterprises and its employment generating efficiency and had shown about the employment status of small enterprises in Papum Pare district of Arunachal Pradesh. The study had taken up certain variables like the size, category, education level, remuneration, etc. of the workers/employees. The study found that the demand based enterprises are more in the district and they played a significant role in generating large number of employment. Very few of the small enterprises have the capability of creating vast employment opportunities in the district. The study also shows the possibilities for creation of employment through small enterprises in the district, if the resources of the district are utilised properly.
Upadhyay (2007) study on “Employment and Earnings in Urban Informal Sector - A Study on Arunachal Pradesh” had tried to reveal the nature and quality of employment in urban informal sector in Arunachal Pradesh. The study taken up variables like the working conditions, contractual arrangements, monthly income across occupations, average earnings of different categories of workers, formal education and earnings in urban informal sector and the socio-economic condition of workers. The study found deplorable situations of the working conditions in terms of access to paid leaves, working hours per day, medical assistance and provision of housing facilities. The earnings in the urban informal sector are associated with disparities in accordance with the differences in the categories of workers, and that the socio-economic condition of the workers is much below than the normal standard.

2.6 Literature on Revenue and Profit of Micro Enterprises

Saad (2011) made a study on “Selecting High-income Generating Activities for Micro-Entrepreneurs: The Case Study of Amanah Ikhtiar Malaysia.” It was conducted to observe the various income generating activities of selected micro entrepreneurs who had obtained micro-credit from Amanah Ikhtiar Malaysia (AIM) microfinance institution of Malaysia. The findings of the study show that economic activities in the trading sector are very lucrative as compared to activities in the production and service sectors. Further, the study shows that rubber trading, sale of cooking gas, hawking in night markets, sale of cosmetics, body wear, paint products, jewellery, used cars, electronics, health products and food products are high income generating activities among the micro entrepreneurs.

Govender (2013) made a study on “Using the Internet to Market Small, Medium and Micro Enterprises in a Developing Economy”. The study attempted to
ascertain the extent to which SMMEs use internet to promote their business or the products they offer. A survey was conducted with 388 SMMEs in Durban city of South Africa. It was found that publicity was created around the websites; businesses have advertised their product online by using social media, e-mails and online directories. However, the study found that viral campaigns and engaging in online sponsorship were totally absent in SMMEs for online promotion of their products. The study recommended that SMMEs should use the internet facilities to promote their products.

2.7 Literature on Marketing and Export of Micro Enterprises

Reshmi (2012) made a study on the “Role of Kudumbashree Micro Enterprises in Alleviation of Poverty with Special Reference to their Marketing Strategies,” and explained about the role played by Kudumbashree micro enterprises of Kerala in alleviating poverty through their marketing strategies. The paper found that most of the micro enterprises felt more capital investment in the unit and can help in improving the conditions of micro enterprises. Price and quality are some of the most important affecting factors for increase in the demand of the products. The study concluded that Kudumbashree micro enterprises are in their early stage. However, these units have been successful in reaching the unreached section of population through providing ways and means of livelihood and financial independence.

Kuazaqui (2013) studied on “Brazilian Micro-Enterprises: An Exploratory Study on Marketing Strategies.” The study is an exploratory study on the marketing strategies of Brazilian micro enterprises. A sample of 287 units was taken to know about the level of knowledge on tools and techniques and the marketing strategies adopted by the Brazilian micro enterprises. The study identified how Brazilian micro
enterprises can apply marketing mix strategies as well as a knowledgeable level of management tool for growth.

Dhiwayo (2014) worked on “The Adoption of Marketing Plans by Micro-Enterprises in Zimbabwe: A Case of Fashion Boutiques in Masvingo.” His study comprises of 100 micro fashion boutique firms operating in Masvingo town in Zimbabwe. The study revealed that most of the micro fashion boutiques of Zimbabwe have not yet adopted the use of marketing and which form the most possible reason for the failure of the firms to grow. Further the promotional activities of the firms were not constant and unplanned among majority of the micro fashion firms, as it was basically done on the reaction of other businesses actions. The study concluded that owner-manager for micro fashion boutiques should start working on the use and adoption of marketing plans, so that all the elements of marketing are planned and implemented properly.

2.8 Literature on Problems of Micro Enterprises

Reddy (1991) conducted study on “Problems and Development of Small Scale Industries in India”. The study outlined the problems of small and tiny industrial units of Prakasam District in Andhra Pradesh. It has been highlighted that the Small Scale Industries have been suffering from many problems, on several fronts such as production, labour, marketing, finance, technology, etc. The study emphasized on the reorientation programmes for the enterprises at district level so as to improve entrepreneurship in the district.

Sharma (1993) made a study on “Industrial Landscape of North-East India” and emphasized on the industrial development of North East India. The study mentioned that the north eastern region is lagging behind in respect of
entrepreneurship mainly because of the geographical disadvantages and infrastructural lacking. The study highlighted the role of industrial estates in promotion of small industrial undertakings in Assam.

**Kuria et al. (2012)** stated that there are two major causes of labour turnover in the three and five star hotels i.e., internal and external causes. Their study on “Assessment of causes of labour turnover in three and five star rated hotels in Kenya” draws that job changes are dependent on gender, age, level of education, training, duration in employment and hotels star rate. The study had identified several internal causes of labour turnover in the hotels such as dissatisfaction on job, unfavourable working conditions, long working hours, low wages or incentives and poor employees training. Similarly, country’s economy, better pay in other industries, etc. are the major external causes of labour turnover in the star rated hotels. It was also found that employers were described as inflexible and they did not treat their employees well. Most of the respondents would not want to recommend others to work for the organisation. The study suggested that management should provide better possible wages as well as upgrade the working conditions for their employees.

**Rao (2012)** conducted a study on “A Study on Problems and Prospects of Micro and Small Scale Enterprises (With Special Reference to Krishna District - A.P.)” with an aim to examine the growth and working of small scale industrial units and their problems and prospects in Krishna district. The study has collected a sample of 300 units from two different categories of business units, i.e. village industries and units of Prime Minister Rozgar Yojana. The analysis is done by tools like tables, charts, graphs, percentages, growth rates, ANOVA, correlation, regression, discriminate analysis, paired *t* test, etc. using data obtained through interview schedule of the entrepreneurs. The findings of the study with regard to the growth and
working of micro and small scale enterprises revealed that more number of small scale enterprises sprang up during 11th Five year plan. The enterprise operating in rural areas are mostly getting assistances from Integrated Rural Development Programs (IRDP) while enterprises operating in urban areas are getting assistance of Entrepreneurship Development Programs (EDP). The study shows that there is a need for reorientation of policy and schemes relating to small scale industry in order to make micro and small scale industrial units viable and efficient.

Arokiasamy (2013) did an extensive survey on “A Qualitative Study on Causes and Effect of Employee Turnover in the Private Sector in Malaysia” to find out the causes and effects of the labour turnover in the private business. The study outlined that job dissatisfaction, less pay, lack of promotion, absence of fringe benefits, influence of co-workers, etc. are the most vulnerable causes of employee turnover. The study emphasized that employees are the backbone of any organization and suggested that examining all factors and taking precautionary measures can be an effective measures to check the acute employee turnover in private businesses.

Rachna (2013) studied on ‘Challenges and Strategies of Micro, Small and Medium Entrepreneurs: A Case Study of Haryana Manufacturing Entrepreneurs’. The study emphasized on the various problems faced by the micro, small and medium entrepreneurs of Haryana engaged in manufacturing enterprises. The study was conducted with a sample of 60 entrepreneurs which has been randomly selected from the list provided by DIC, Rohtak. The findings of the study revealed that the competition for the entrepreneurs, access to finance and skilled manpower, debt collection and power interruptions are the top five cited challenges faced by the entrepreneurs.
Ramaswamy (2013) studied on “Marketing Problems of Micro Artisan Enterprises in Thenzawl Handloom Cluster, Mizoram”. His study on marketing problems of micro artisan enterprises in Thenzawl Cluster of Mizoram attempted to show the different kinds of marketing related problems faced by the 200 micro handloom entrepreneurs. The study found that through ranking method problem of ‘low margin’ has emerged as the highest ranking problems for the entrepreneurs of Thenzawl cluster. The existence of middleman has created a gap between the customers and the producers. The study suggested that the cluster should create a brand that can reflect socio cultural values of Mizo society in the national and international level. The study further stressed that there is a need of greater support of the government agencies in marketing of the products at national and international level.

Sheela and Balakrishnan (2014) had conducted “A Study on Socio-Economic Conditions of Small Scale Industries in Thanjavur District”. The study attempts to find the different problems faced by SSIs and factors affecting SSIs in the Thanjavur district. The study was conducted on 130 small scale industries comprising of ancillary industries, manufacturing industries and service industries. The study found that a positive relationship exists between incomes, educational background of respondents with their skill category. Similarly, the study also revealed that there is positive relationship between income of respondents and ownership of houses.

2.9 Literature on Financing of Micro Enterprises

Sharma (1989) in “Industrialisation and Development Banking,” had emphasized on the impact of national level Development Financial Institutions (DFIs) on the industrial economy of India. The study had recognized the significant role of
different Financial Institutions (FIs) in encouraging the industrial sector in the
country.

Wijesundera (1996) worked on “Small and Micro Enterprise in Sri Lanka:
Bringing the Bankers to the People”. The study depicted that the development of
micro enterprises is the key to the enhancement of productivity and living standards
of low income groups in particular while augmenting economic growth. He concluded
his study by stating that banks have the responsibility to improve their intermediation
and interaction with micro enterprises. In this regard Halton National Bank (HNB)
introduced a scheme in mid 1989 to provide intermediation in micro lending. In Sri
Lanka banks have experimented with various methods of intermediation with the
micro enterprises sector and the most effective is through NGOs.

Das (2012) in “Entrepreneurship and Micro Finance: A Reflection from North
East India” had dealt with entrepreneurship through micro finance particularly by Self
Help Groups (SHGs) in respect of women enterprises in India. The study found that
promotion of micro, women and rural entrepreneurship in the state can motivate the
educated unemployed youth to run their own enterprises. The study also found that
the share of female employees in unregistered SSI sector is much higher than
registered SSI sector in different states.

Hazarkha (2012) conducted a study on “Financing of Micro Enterprises with
Special Reference to Nagaon District of Assam”. The study is based on 120
entrepreneurs who have submitted loan proposals to banks for financial help for their
enterprises. The study analyses the growth and development of micro enterprises and
emphasized on the problems of micro enterprises and financial institutions in the
district. The study found that micro enterprises in the district has slow progress rate
and the assistance of the various banks for the development of the enterprises sector is
inadequate. The study suggested that government should provide proper attention to micro enterprises for its growth and development in the district.

Jhamb and Sofi (2013) worked on “The Role of Microfinance in the Development of Cottage & Small Scale Industries in North Eastern Region of India”. The study reflects that business in NER is largely based on the small scale industries and cottage units. The financial needs are fulfilled by the local lenders, as accesses to the formal financial institutions are almost absent. Further, study revealed that the role of microfinance in the NER is very important because of its formal financing activities and policies along with other financing sources. Both the forms of financing by microfinance institutes play a significant role in providing financial resources to the cottage business. It is also observed that a large section of poor people are deprived of the financial supplies and most of them have fall as victim of many social evils such as militancy, human trafficking, etc. The study also traced that the various stakeholders involved in micro finance supply are NEDFi, NGOs, Commercial Banks, DONER, Consultants, Academics, Institutions, Government, etc. Besides, the study also revealed that there are many other indigenous community based institutions operating successfully in NER and the people of these regions prefer availability of finance over the cost of credit.

Kushalakshi and Raghurama (2014) studied on “Bank Finance to Small and Medium Enterprises”. The study had focused on the credit extended to MSMEs by different financial institutions and scheduled commercial banks. The study has found that despite increase in financial needs of MSMEs, it has not been adequately addressed by the financial institutions. The study found that 92.77 percent of enterprises still depend on self finance, only few enterprises got assistance from the financial institutions. Further, the study suggested that there is an urgent need of
support from government and financial institutions to promote MSMEs through policy support, and adequate and timely finance to bring financial inclusion and inclusive growth.

2.10 Literature on other Issues and Dimensions of Micro Enterprises

Blayney and Otero (1985) had highlighted the contributions made by small and micro enterprises towards economic development. The paper recommended for strategies to the Agency for International Development (AID) that will render future agency support to micro and small enterprises. The paper had focused on the numerous project evaluations, policy analysis, sector surveys, etc. and had made analysis of micro and small enterprise projects for improvement in their employment and income generating capacities. The study found that most of the micro and small enterprise projects have a positive impact on income generation. The study also observed that most of the projects are provided with a basic assistance, i.e. credit extension. However, management and technical assistances are very expensive and it has not achieved any significant degree of sufficiency to the micro and small enterprises. The study recommended that AID should develop a series of standard work for evaluation of micro and small enterprise projects depending on the level of resources available to those enterprises.

Sadhan (1986) conducted the study on “Industrial Development in Backward Regions in India.” The study found that the difference among the regions creates regional imbalances in employment and income generation. Futher, study revealed that concentration of enterprises and income opportunity in developed areas create social as well as economic imbalance in the backward regions of the country. The
study also indicated that the state economy can be improved only through the government policy and incentives in designated backward areas.

Mali (1990) conducted a study on “TRYSEM and Development of Rural Entrepreneurship in North-Eastern Region”. The study focused on the Training of Rural Youth for Self Employment (TRYSEM) scheme which intended to create a class of tiny entrepreneurs in the rural sector of our country. The study found that equal number of rural youth was trained in different north eastern states, but the self employment varied from state to state. Further, youth trained in the region was much lower than the national average. It revealed that the entrepreneurship is not lacking in the north eastern region, but entrepreneurial base is weak.

Sikka and Kumar (1991) in their study on “Small Industries in India” highlighted critically the Hosiery industries of Punjab. The study found that the hosiery products are marketed effectively in local areas as well as outside the state of Punjab. The study concluded that the entrepreneurship development in the state has been quite impressive.

Deolankar (1996) made a study on “Indian Entrepreneurship and Industries” and analyzed the important scope and dimensions of the New Industrial Policy. Further, the study focused on the ideal role of the government towards entrepreneurship development in the country. The study basically focused on rural industrialization, problems of handicrafts industries, restoration of sick units, unemployment in rural areas, etc. The study has also highlighted globalization for bringing change in the industrial scenario of India.

Ronge, Ndirangu and Nyangito (2002) have reviewed the evolution of policy and difficulty in policy implementation in the Micro and Small Enterprise sector in Kenya. The paper highlighted that the support framework is being practiced
since 1986 in MSE sector. The study found that the unsustainable subsidies and stop-go policies led to inadequate understanding and mismatch between policy statement and resource allocation in MSE sector. The poor implementation of those policies led to poor growth in MSE sector which is still tend to persist in Kenya. The study also observed that in spite of the policy failure the government is still considering the MSE sector as a source of future employment generation for large number of people in Kenya. The study suggested that government intervention is very necessary in improving potentiality of enterprises. The paper also suggested for the creation of better environment for MSEs and also providing incentives for linkages between MSEs and large enterprises.

Roy and Wheeler (2006) studied on “A Survey of Micro-Enterprise in Urban West Africa: Drivers Shaping the Sector” and identified elements that help in shaping the micro enterprise sector in Urban West Africa. Their study found that the element which drives micro enterprises to operate in informal economy is the necessity while elements which put hurdles to micro enterprises in achieving success are mainly the poor capital, poor training, etc. It also discussed that development of micro enterprises in UFWA is low because of different economic and social business. Consequently, the study asserted that adopting right effort and coordinated approach can help to build social, financial and working capital which will contribute to the development of the region in future.

Narayanasamy (2009) in his study on “Benefits of Globalisation: Small and Micro Enterprises – A Case Study” had tried to reveal about the accrued benefit flow to spinning mills operating in Dindigul district of Tamil Nadu and the perculated benefits to a micro enterprise which is a supporting unit to the spinning mills. The findings of the study show that globalisation is having direct flow of benefits to the
spinning mills of the region which in turn are causing the flow of indirect benefits to the sample micro enterprise. They are in the forms of creation of infrastructure; building, machines, tools and equipments; procurement of raw materials; increase in production of products; product diversification; increase in family saving and investment in gold; and education the children and diversification in business.

Ganesan and Jaffar (2011) conducted a study on “Entrepreneurship in Micro Enterprises” and analyses about the concept and functions of micro enterprises, measured the achievements of micro enterprises, and to know the required new manufacturing technologies of entrepreneurs in micro enterprises. Accordingly, the study delineated that micro enterprises that are being functioning in India can be divided into two categories namely agricultural enterprises and non agricultural enterprises. The share of agricultural enterprises both in terms of sheer number and by employment is on the rise while the proportion of non agricultural enterprises is on decline, as per the Economic Census of Central Statistical Organisation (CSO). Further, the study shows that over the time period of 1980 to 1998 there has been increase in the share of agricultural enterprises, from 12 percent to 18 percent. However, the non agricultural enterprises show a fall in the share from 88 percent to 81 percent during the same period. The study concluded that Information technology plays a pivotal role in industries which is necessary to cut operation cost drastically and to ensure high speed in every activity.

Sudheendra (2011) had worked on “Impact of Co-operatives as Micro Enterprises in Poverty Alleviation”. The paper aimed at identifying co-operative as micro enterprises, and discussed about the different types of formation of cooperative enterprises and tried to depict how these cooperatives can be used for poverty alleviation purpose at micro as well as macro social levels. The paper has mentioned
that any cooperative formed with the small group of similar people will become a Microenterprise. The study further stated that the cooperatives usually work as catalysts for providing necessary practices in addition to the changes in social processes just to ensure that every member of the community is benefited. The study mention that it is possible to alleviate poverty by generating new knowledge through new experiences, training, utilization of available resources and by organizing micro enterprise in the local level. Finally, the study suggested that there is a need for implementation of the methods of anticipation for future development which is projected in the study and to be made possible when the micro enterprises as cooperatives share their knowledge with local people.

Beema (2012) studied on “Micro Enterprises under Women Self Help Groups in Thoothukudi District”. The study analysed different aspects related to micro based women entrepreneurs such as the status report of the women micro entrepreneurs and their perception relating to motivation of entrepreneurial activity, the reasons for selection of a particular entrepreneurial venture, the socio-economic impact and the problems face by them. The main findings of the study revealed that majority of women micro entrepreneurs are availing bank loan. The training facilities have also contributed to setting up of innovative type of activities for women. The study also found that establishment of micro enterprises led to social empowerment of women micro entrepreneurs. On the other hand women micro entrepreneurs are also facing problems like lack of adequate finance, lack of marketing support, socio-personal constraints, etc. The study concluded that there is a scope for improvement of the standard of living of poor women of Thoothukudi district of Tamil Nadu.

Meetei and Kumar (2012) in “A Study on the Influencing Factors of KVI Artisans in Manipur,” had examined about the influencing factors of Khadi and
Village Industries based rural entrepreneurs in Manipur and had found that the rural entrepreneurs in Manipur were influenced to take up entrepreneurial venture by factors such as, self adoption factors which is identified to be related to intrinsic ideas and motivating factors concerned with external tendencies. The study was carried out on the basis of data obtained from survey of 150 KVI units which were registered under Directorate of Industries of Manipur. The study found that factors like family business, feasibility in society, unemployment, skills and raw materials were some of the strong intrinsic factors to adopt KVI units by rural entrepreneurs. Similarly, factors like availability of loan, training and awareness, inspired by successful entrepreneurs are the high motivating factors for starting KVI units by rural entrepreneurs in Manipur.

Mago and Toro (2013) had evaluated the assistances provided by South African government to Small, Medium, Micro Enterprise (SMMEs) by taking a case study in King William’s town area. The paper mainly focused on the financial as well as non-financial assistances provided by the government agencies like Khula and Ntsika. The study found that the government has supported the entrepreneurship through Ntsika and Khula agencies. However, very less improvement was observed with regard to performance of SMMEs. Further, the study found that very low level of awareness programmes were being administered by the Ntsika and Khula for development of SMMEs. The study concluded that the governmental supports become ineffective as the SMMEs are not being aware of the programmes. They suggested that special programmes like, training, workshops, etc should be initiated regularly to develop the specific target group of the entrepreneurs.

Sarma and Talukdar (2013) conducted a study on “Trend Analysis of Micro & Small Enterprises in North East India: with reference to Entrepreneur Development
Programme under KVIC, Assam”. The study deals with knowledge database for KVIC Scheme in some districts of Assam for the year 2002-2008. The study rises to many interesting results regarding the past, present and possible future trends in the development of enterprises as a means of livelihood, with reference to village industry sector in Assam. The study has also attempted for motivating the application of data mining technology in the decision making process in place of traditional processes followed by Entrepreneurship Development Organization (EDOs).

2.11 Research Gap

From the review of existing literatures on micro entrepreneurship and enterprises it is found that studies are hardly conducted exclusively on micro enterprises in India. Similarly, an in-depth study on micro enterprises in case of Arunachal Pradesh is also found to be missing in the literature. Hence, the literatures show that there is lack of extensive research work on micro enterprises and entrepreneurship. Among the various forms of enterprises, micro enterprises play the most significant role in promoting regional development through utilisation of untapped and unexplored local resources including human resources. It is also found from the review of literatures that, not many studies are conducted on micro enterprises of Arunachal Pradesh in particular. And whatever studies were made seems to be confined to issues pertaining to industrial scenario of the state in general and some selected districts in particular. Moreover, the scope of these studies was very limited, since this study touches only some aspects underlying to small scale industries or MSMEs. It fails to explore other issues pertaining to the functioning of micro enterprises. In fact, a complete research aspect of micro enterprises relating to setting up of the enterprises, performance, growth, employment creation, income and
revenue generation, profit making capacity, production, marketing, finance, human resources, etc. are not been studied properly in case of Papum Pare district.

It is well known that, the situations of working enterprises are not satisfactory in the state of Arunachal Pradesh as well as in the Papum Pare district. Some of the established micro and small scale industries are now almost defunct, some have been classified as sick and some are in need of support in every industrial front. Hence, it calls for a strong support and implementation of relevant policy and programmes which can nurture the micro enterprises in the state. At this junction, studies on micro enterprises have become the need of the hour. The purpose of this study is to identify the issues related with micro enterprises of Papum Pare district and fill the gap in the existing research on micro entrepreneurship in Papum Pare district of Arunachal Pradesh.

2.12 Conclusion

The effective study is always been supplemented by the existing literature in that field. However, in case of micro entrepreneurship, studies are found to be very less. The limited studies have been made with regard to micro enterprises in India as well as abroad. Most of the time micro enterprises have been studied along with small and medium enterprises. The separate and empirical approach towards micro enterprises are not yet made much by the scholars. Due to small investment limit and less manpower requirement, micro enterprises are gaining importance in the present context. Hence the relevance of micro enterprises in the Indian economy cannot be ignored. And it is imperative to have through study on the micro enterprises in Arunachal Pradesh and Papum Pare district for various reasons.
2.13 References


