

A Study on Micro and Small Entrepreneurs in the Selected Districts of Odisha

Akhaya Kumar panda,

Research Scholar,
P.G. Department of Commerce,
Utkal University, Vani Vihar, BBSR, India.

Prof. Anil Kumar Swain,

Former Professor,
P.G. Department of Commerce,
Utkal University, Vani Vihar, BBSR, India.

(Received April 22, 2020; Accepted July 11, 2020)

ABSTRACT

Purpose: The present study attempts to make critical appraisal of Entrepreneurship Development Programme of Government in promoting entrepreneurs in micro and small sector and to examine various socio-economic factors responsible for their growth and sustenance. **Methodology:** The overall research work was based on primary data which were collected from the field by using semi structured questionnaires. A sample of 210 micro and small entrepreneurs operational in three districts were used for the study. The districts were chosen due to their outsized concentration of population of the entire state. Chi-square test has been used to investigate association between various parameters of the study. Ratio, percentage and tables are widely used for the purpose of analysis. **Findings:** It is observed that maximum numbers of entrepreneurs are not benefited from EDPs organized in their locality and very minimum numbers of entrepreneurs are benefited from EDPs. This might be due to low quality of EDPs organized or due to the non-application of techniques by micro and small entrepreneurs in their business. **Implications:** Instead of tailor made EDPs, need based programmes should be developed where quality will enjoy top priority. Married male Micro & Small Entrepreneurs proved to be successful in the growth and sustenance. **Originality:** No exploratory qualitative research work on prospects and challenges of micro and small entrepreneurs has been found yet in the state in general and in the selected districts in particular.

Keywords: Entrepreneurship Development Programme (EDP), Micro and Small Entrepreneurship, Socio-economic Factors, Micro and Small Scale Industrial Sector.

INTRODUCTION:

Micro and Small entrepreneurs make a substantial contribution to the economic growth and employment in most countries around the world (OECD, 1997). The individual impact of SMEs is relatively minute but their collective impact is substantial, SMEs typically represent about 95 percent of all private sector firms in most modern nations, and so forms a major portion of all economic activities (Schaper, 2002). They accounts for 35 percent of exports from Asia and approximately 26 percent of exports from developed countries including the United States (OECD, 1997). In selected countries such as Italy, South Korea and China, SMEs contribute as much as 60 percent of the total national exports (Knight 2000, P 12-13).

In a developing country like India, micro & small entrepreneurship had played an important role and in view of domestic resource constraints, industrial intensification has not been achieved to the optimum extent. Micro & Small scale industrial sector had played a pivotal role towards eradication of poverty, rural development, employment generation and maintaining regional balance in endorsement and expansion of various promotional activities. It has been estimated that micro & small scale industrial sector has been contributing about 40 percent of the gross output of the manufacturing industries of the country. The employment generation by small scale industrial sector in the country is five times more than the large scale industrial sector.

RIVIEW OF LITERATURE:

Quite a few studies have been conducted on micro and small entrepreneurial development in the rural sectors of our country by the academicians, researchers and by various committees appointed by the central Government, State Governments and NABARD. Sketches on the major ones are given below:

[Mayoux L. \(1995\)](#) has stated in his research work that, there was a sudden surge of interest in the ways of increasing women's access to income and employment. This strategy coincided with a growing interest in the potential of the newly identified and diverse "Informal Sector" as both are contributors to the economic growth and means of targeting poverty alleviation and employment creation.

[Raymond M. & Perera V.M. \(1997\)](#), identified that market information is another responsible factor for sustainability of micro-enterprises. Access to market is of paramount importance for any enterprise. Nevertheless, most micro enterprises have been identified and established on the basis of technical or production orientation without identifying target markets and related marketing-mix. Micro enterprises should be identified on the basis of market needs and their dynamics.

[Dasgupta, R. \(2001\)](#) in his study, suggested that the SHGs system was initiated in India by Non-Government Organizations (NGOs). From then the new group approaches such as SHG has been a buzzword in the Country.

[Sinha, F. \(2003\)](#) in his study in India has illustrated the successful enterprises supported by micro-finance resulting in improved financial status. All these supported enterprises are mainly small scale family based enterprises.

[Pasila, K. \(2007\)](#) in her studies explained their ability to take flexible decisions, offering them less bureaucracy and taking timely action to respond to day to day arising situations. Their main focus is family well-being and thus they tend to dislike Government interference, and tend to be particularly adverse to taxation on their hard earned profits. The flexibility and lack of formality of Micro-enterprises and at the same time their weakness is often lead them not to seek professional guidance.

[Desai, S. \(2009\)](#) concluded that, the current research on entrepreneurship is driven by three goals related to measurement. First, there is a push to develop and validate a measure of entrepreneurship that can be used and reliably and consistently across countries. Second, there is increasing interest in segmenting differentiating the type of entrepreneurship being measured. Third, the relationship between economic development, institutions and entrepreneurship necessitates a comprehensive research approach.

[Ghani, E., R. Kerr, W., and O'Connell, S. \(2011\)](#) India's economic geography is still adjusting from the government-imposed conditions that existed pre-deregulation, and much greater variation exists in spatial outcomes than is present in countries like the United States. This raises the importance of correct policy. Design for local areas, and it provides a nice testing ground for future work on agglomeration and urban economies.

[Mishra B. \(2013\)](#) observed that the Micro, Small and Medium enterprises are an important sector of our economy. Ensuring the success of the MSME sector is a pre-requisite to realize rapid economic growth. The success of the MSME sector depends, apart from other factors, on availability of cheap and easy capital. This calls for new structures for bringing the large unorganized sector into some form of organized sector. The strategies and policies initiated by the Government and other national bodies, if implemented properly, will go a long way in reducing the huge credit gap of the MSME sector.

[Pavithra .R. H. \(2014\)](#) concluded that the MSMEs have become power centers of modern economy. The MSMEs contribute considerably to industrial, economic, technological and regional development in all developed and developing economies. The prototype of financing these Micro, Small and Medium enterprises is slowly changing in favour of specialized, target specific financial services, with the introduction of new financial products. The financial institutions including SFCs and SIDCs and public sector banks are preparing to provide a diversified range of services to various target groups including venture capital, leasing, equipment finance, export finance, factoring services.

[Reddy .C.V. \(2015\)](#) studied that, it is essential to co-ordinate the activities of the Corporation with those of the DICs, supplementing the roles of each other in the dispersal of MSMEs among two regions to achieve the balanced regional development. Multiple holdings by one entrepreneur with the help of assistance from the Corporation should be avoided. For this purpose, the Corporation should maintain a record of individuals who have interest in more than one assisted units. In order to avoid heavy concentration of MSMEs in few districts (i.e., in capital region), the Corporation should decentralize its activities. Loans must be sanctioned in such a way that the maximum number of entrepreneurs must be benefited.

[Tawade .P. and S. khadikar. S. \(2016\)](#) Concluded in their research work that, one of the major problems about MSMEs is the gap between requirements and availability of funds, this gap should be reduced. Banks now obsessed with cleaning their Balance Sheet and reducing NPA, this gap will tend to rise. This can be seen as the

business opportunity for the Micro Financial institutions especially offering small ticket loan.

Sayed .G. and Trivedi .P. (2016) concluded that, estimated discriminant model is statistically significant and therefore can be used for further multivariate analysis like cluster analysis, multidimensional and structural equation model. Achievement in physical assets, achievement in sales revenue, achievement in profitability, age of respondent and gender of respondent are the important variables for satisfied group and for dissatisfied group the important variables are marital status and type of business. So, to gain the confidence of dissatisfied group or to convert their dissatisfaction, Microfinance institutions should focus on these variables.

Bhoganadam, S.D. and Rao, N.S. (2017) studied that there is a significant relationship between industrial environmental, socio-cultural, and self-related, financial, HRD related and infrastructure issues and challenges with financial performance. During data collection most of SME's felt with production issues and challenges as major but there is no significant relationship still production issues and challenges are to be considered. Hence this it is concluded that both internal and external issues and challenges are to be controlled.

Kota, .M.K. (2018) Studied that Entrepreneurs belonging to Micro and Medium classification feel that social media is not very cost effective. They also feel that social media does not significantly cut down costs of marketing communications. They prefer to opt for those social media that offers free postings without making any payments. The reason for their apprehension could emerge from the point that they are not very convinced about social media as an enabler of marketing communication.

OBJECTIVES:

Most of the earlier studies have dealt with the success story of the Micro, Small and Medium Enterprises. The success of micro and small entrepreneurs has in a way made away of the adoption of flourishing entrepreneurs entering this field and the present study deals with the success factors of entrepreneurship and the challenges confronted. The present study attempts to make critical appraisal of Entrepreneurship Development Programme of Government in promoting entrepreneurs in micro and small sector and to examine various socio-economic factors responsible for their growth and sustenance. The specific objectives of the study are as follows:

- To examine the effectiveness of Entrepreneurship Development Programme of the Government of Odisha in promoting entrepreneurs in Micro and Small Enterprise sector.
- To examine various socio-economic conditions responsible for the growth and sustenance of micro and small entrepreneurs in the selected districts of Odisha.

RESEARCH METHODOLOGY:

The data collection process integrated significant demographic and open-ended interview questions. The outcome of the qualitative exploratory study may endow with an insight of the effectiveness of Entrepreneurship Development Programme that influences the growth of micro and small entrepreneurs in the state of Odisha.

The overall research work was based on primary data which were collected from the field by using semi structured questionnaires. Collection of data was proposed to reflect the objectives of the study as intimately as possible. For past record and historical analysis secondary data were used from published and non-published sources. The major sources of secondary data were Economic Survey of Orissa, Institute of Entrepreneurship Development, OSFC, SIDBI, MSMEs and OSIC etc.

A sample of 210 micro and small entrepreneurs operational in three districts were used for the study. The districts were chosen due to their outsized concentration of population of the entire state. Cuttack district: 26, 24,470, Khurda district: 22, 51,673 and Puri district: 16, 98,730. These three dists of Odisha constituted the sample size. Because the population of these three districts as per 2011 census, constitutes more than 15% of the population of the entire state's population of 4, 19, 74, 218. Various statistical tools have been used in the study for the purpose of statistical analysis. Chi-square test has been used to investigate association between various parameters of the study. Ratio, percentage and tables are widely used for the purpose of analysis.

ANALYSIS OF DATA:

Table 1: Impact of Age Group on Benefits Derived from EDP

Sl. No	Benefited From EDP	20 Years-30 Years		30 Years-40 Years		40 Years-50 Years		50 Years-60 Years		Above 60 Year		Total	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	Yes	6	21%	7	24%	10	34%	5	17%	1	3%	29	100
2	No	86	51%	62	37%	12	7%	5	3%	2	1%	167	100
3	Can't Say	4	29%	5	36%	2	14%	3	21%	0	0%	14	100
	Total	96	46%	74	35%	24	11%	13	6%	3	1%	210	100

Source: Primary Data

It is observed from the above table that out of the total sample of 210 entrepreneurs, 29 have benefited from EDPs organized, 167 have not benefited, and 14 have no say.

Out of the entrepreneurs who have benefited from EDPs, 21% are in the age groups of 20-30 years, 24% are in the age group of 30-40 years, 34% are in the age group of 40-50 years, 17% are in the age group of 50-60 years and 3% are above 60 years of age. Out of the entrepreneurs who have not benefited from EDPs, 51% are in the age groups of 20-30 years, 37% are in the age group of 30-40 years, 7% are in the age group of 40-50 years, 3% are in the age group of 50-60 years and 1% is above 60 years of age.

It is observed that maximum number of entrepreneurs have not benefited from EDPs organized in their locality whereas very minimum number of entrepreneurs have benefited, might be due to low quality of EDPs organized or due to the non-application of techniques by micro and small entrepreneurs in their business.

Impact of Educational Background on Benefits Derived From EDP:

Table 2: Impact of Educational Background on Benefits Derived from EDP

Sl. No	Benefited From EDP	Matriculate		Intermediate		Graduate		Post-Graduate		Total	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	Yes	11	38%	3	10%	14	48%	1	3%	29	100%
2	No	71	43%	31	19%	50	30%	15	9%	167	100%
3	Can't Say	5	36%	0	0%	9	64%	0	0%	14	100%
	Total	87	41%	34	16%	73	35%	16	8%	210	100%

Source: Primary Data

It is observed from the above table that out of the total sample of 210 entrepreneurs, 29 have benefited from EDP 169 have not benefited and 14 have no say.

Out of the entrepreneurs who have benefited from EDPs, 38% are matriculates, 10% are intermediates, 48% are graduates and 3% are post-graduates. Out of the entrepreneurs who have not benefited from EDPs, 43% are matriculates, 19% are intermediates, 30% are graduates and 9% are post-graduates. Out of the entrepreneurs who have no say regarding EDPs, 36% are matriculates and 64% are graduates.

It is found that only 29 out of 210 micro and small entrepreneurs are really benefited from EDPs in which maximum graduates are there. 169 entrepreneurs are not benefited from EDPs in which maximum matriculates are there. This might be due to educational awareness of entrepreneurs affecting the success of EDPs organized.

Impact of Family Background on Benefits Derived from EDPs:

Table 3: Impact of Family Background on Benefits Derived from EDPs

Sl. No	Benefited from EDP	Service		Agriculture		Business		Profession		Others		Total	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	Yes	7	24%	1	3%	11	38%	2	7%	8	28%	29	100
2	No	52	31%	24	14%	60	36%	9	5%	22	13%	167	100
3	Can't Say	2	14%	0	0%	4	29%	0	0%	8	57%	14	100
	Total	61	29%	25	12%	75	36%	11	5%	38	18%	210	100

Source: Primary Data

It is observed from the above table that out of the total sample of 210 entrepreneurs, 29 have benefited from EDPs, 167 have not benefited from EDPs and 14 have no say.

Out of the entrepreneurs who have benefited from EDPs, 24% are from service, 3% are from agricultural, 38% are from business, 7% are from professional and 28% are from other backgrounds. Out of the entrepreneurs who have not benefited from EDPs, 31% are from service, 14% are from agricultural, 36% are from business, 5% are from professional and 15% are from other backgrounds. Out of the entrepreneurs who have no answer, 14% are from service, 29% are from business and 57% are from other backgrounds.

It is found that 29 entrepreneurs out of 210 have benefitted from EDPs whereas 167 have not benefited, might be due non maintenance of quality of EDPs or might be due to nonattendance of micro and small entrepreneurs.

Impact of Marital Status on Benefits Derived from EDPs:

Table 4: Impact of Marital Status on Benefits Derived from EDPs

Sl. No	Benefited from EDP	Married		Unmarried		Widow/Widower		Divorced		Total	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	Yes	24	83%	4	14%	1	3%	0	0%	29	100
2	No	140	84%	27	16%	0	0%	0	0%	167	100
3	Can't Say	10	71%	4	29%	0	0%	0	0%	14	100
	Total	174	83%	35	17%	1	0%	0	0%	210	100

Source: Primary Data

It is observed from the above table that out of the 210 entrepreneurs, 29 have benefited from EDPs, 167 have not benefited and 14 have no say.

Out of the entrepreneurs who have benefited from EDPs, 83% were married, 14% were unmarried and 3% were widower. Out of the entrepreneurs who have not benefited from EDPs, 84% were married and 16% were unmarried. Out of the entrepreneurs who have no say, 71% were married and 29% were unmarried.

It is observed that around 14% of the entrepreneurs have benefited from EDPs, of which majority were married might be due to their seriousness of married micro and small entrepreneurs.

Impact of Gender on Number of Entrepreneurs Benefited From EDPs:

Table 5: Impact of Gender on Number of Entrepreneurs Benefited from EDPs

Sl. No	Benefited from EDP	Male		Female		Total	
		No.	%	No.	%	No.	%
1	Yes	28	97%	1	3%	29	100%
2	No	152	91%	15	9%	167	100%
3	Can't Say	13	93%	1	7%	14	100%
	Total	193	92%	17	8%	210	100%

Source: Primary Data

It is observed from the above table that out of the 210 sample entrepreneurs, 29 have benefited from EDPs, 167 have not benefited and 14 have no say.

Out of the entrepreneurs who have benefited from EDPs, 97% were male and 3% were female. Out of the entrepreneurs who have not benefited from EDPs, 91% were male and 9% were female. Out of the entrepreneurs who can't say, 93% were male and 7% were female.

It is observed that majority of the entrepreneurs who have benefited from EDPs, were male justifying gender inclination.

MAJOR FINDINGS AND RECOMMENDATIONS:

- It is observed that maximum number of entrepreneurs have attended EDPs once in two years and very minimum number of entrepreneurs have attended them once in a quarter. This is might be due to low frequency of EDPs organized or due to the incapability of micro and small entrepreneurs to attend them.
- It is observed that maximum numbers of entrepreneurs are not benefited from EDPs organized in their locality and very minimum numbers of entrepreneurs are benefited from EDPs. This might be due to low quality of EDPs organized or due to the non-application of techniques by micro and small entrepreneurs in their business.
- It is observed that majority of the entrepreneurs who have benefited from EDPs, were male justifying gender inclination.
- It is observed that out of the sample entrepreneurs, who have benefited from EDPs, majority were married justifying their seriousness for development of micro and small entrepreneurship.
- Training programmes aimed at motivating micro and small entrepreneurs must be qualitative and penetrating. It should be designed to cater to the needs and requirements of micro and small entrepreneurs. Instead of tailor made programmes, need based programmes should be developed where quality will enjoy top priority.
- Entrepreneurship Development Programmes initiated by the Government for the promotion of micro and small entrepreneurs should be implemented effectively as without effective implementation unemployment problem can't be solved and the programmes will remain in paper work only.

REFERENCES:

- Bhoganadam, S.D. and Rao, N.S. (2017). Issues and Challenges Faced by Small and Medium Entrepreneurs in Automobile Sector – A Study at Vijayawada. *International Journal of Management Research & Review*, ISSN: 2249-7196, Vol. 7, Issue. 7, Article No: 3, pp 759-780.
- Dasgupta, R. (2001). An Informal Journey through Self-help Groups. *Indian Journal of agricultural economics*, 56(3): pp 370-386.
- Desai, S. (2009). *Measuring Entrepreneurship in Developing Countries*. Research Paper No. 2009/10, page no-10, UNU World Institute for Development Economics Research (UNU-WIDER) Katajanokanlaituri 6 B, 00160 Helsinki, Finland.
- Ghani, E., R. Kerr, W. and O'Connell, S. (2011). *Spatial Determinants of Entrepreneurship in India*, Working Paper12-027, October 17, 2011.

- Knight, G. (2000). Entrepreneurship and Marketing Strategy: The SME under Globalisation, *Journal of International Marketing*, 8 (2): 12-32.
- Kota, M.K. (2018). Influence of MSME Classification on the Antecedents of Social Media Usage – An Empirical Study Conducted on Select Micro, Small and Medium Enterprises of Hyderabad, Telangana. *International Journal of Recent Scientific Research*, Vol. 9, Issue, 4(L), April 2018; pp 26377-26383.
- Mayoux, Linda. (1995). From Vicious to Virtuous Circles? *Gender and Micro-Enterprise Development*. [http://lst-iiiep.iiiep-unesco.org/cgi-bin/wwwi32.exe/\[in=epidoc1.in\]/?t2000=011953/\(100\)](http://lst-iiiep.iiiep-unesco.org/cgi-bin/wwwi32.exe/[in=epidoc1.in]/?t2000=011953/(100)).
- Mishra, B. (2013). An Exploratory Study of the Protected Area Management Policies in Odisha. *The Indian Forester*. 139. 507-517.
- Pasila, K. (2007). Constraints and opportunities for Micro-enterprises in Malta, *Bank of Valletta Review*, No-35.
- Pavithra, R. H. (2014). Issues and Concerns in MSME Finance. *Deliberative Research*, ISSN: 0976-1138, Vol. 22, Issue – 1, April – June 2014, pp. 64-67.
- Raymond, M. & Perera, V. M. (1997). Marketing Support for Micro-enterprise Development: Potentials & Possibilities.
- Reddy, C.V. (2015). Structural Disparities in MSMEs- How to fill the lacuna?, *SCMS Journal of Indian Management*, October-December 2015, pp 37-50.
- Sayed, G. and Trivedi, P. (2016). Study of Satisfaction Level of MSMEs due to Microfinance using Discriminant Analysis – An Empirical Study, *BVIMSR's Journal of Management Research*, Vol.8, Issue. 1, July 2016, pp 21-30.
- Schaper, Michael. (2002). The challenge of environmental responsibility and sustainable development: Implications for SME and entrepreneurship academics. *Radical Changes in the World: Will SMEs Soar or Crash?*
- Sinha, F. (2003). *Impact assessment of Microfinance in India*. EDA Rural Systems Pvt. Ltd., Gurgaon.
- Tawade, P. and Khadikar, S. (2016). Make In India: An Opportunity for Micro Finance, *BVIMSR's Journal of Management Research*, Vol-8, Issue – 2: July 2016, pp 37-46.

