

TO STUDY ON CHALLENGES OF MICRO ENTREPRENEURS IN ANANTNAG DISTRICT OF JAMMU AND KASHMIR

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Abstract

This paper examines the challenges faced by micro- entrepreneurs in the Anantnag district of Jammu and Kashmir. The study is based on both the primary as well as secondary sources of data. The primary data has been collected through structured interview schedule and secondary data has been collected from various books, magazines, websites and articles etc. The data has been analysed by using SPSS software and percentage analysis and descriptive statistics are employed to find out the results. The one way ANOVA test has been used to test the hypothesis. The study concluded that in district Anantnag the micro-entrepreneurs face a lot of challenges like: Lack of infrastructure in the market has been found in 80% of the respondents, scarcity of labour in the market has been found in 79% of respondents, inadequate finance from banks and other financial institutions have been found in 72% of the respondents, lack of skilled management/leadership problem has been found in 58% of the respondents, inability to adopt new technology problem is most common in 57% of the respondents and 51% respondents face the challenges of low quality of raw material.

Keywords: *micro- entrepreneurs, Challenges, Structured, Inadequate, Technology.*

Introduction

Across the universe, MSMEs are the life line of any nation. The prominence of this sub-sector in India is well known, this sector has grown tremendously in the past two decades in comparison to the corporate-giants with respect to their share for the Indian economy (Skandalis, S., & Ammari-Allahyari, M. (2014). The Micro Small and Medium Enterprises (MSMEs) sector constitutes an important segment of the Indian economy in terms of its contribution to industrial production, employment, export and the creation of a broad entrepreneurial base. So, it is rightly viewed as the mainstay of the modern Indian Economy. (Dinesha, P. T., & Hans, V. B. (2006). The MSMEs sector contributes 45 per cent of India's total export, generates more than 114 million jobs and accounts for 33.4 per cent of India's manufacturing output (Ranjan, R. (2021). With policy work micro-enterprises can open new opportunity for development. There is regular growth in generation of employment and provides more employment opportunities over the last decade. (Pazir, D., & Hussain, S. (2013).

Micro-enterprises are small ventures which are financed by micro-credit -type of credit facility provided to those persons who do not have collateral credit history or employment of these ventures serve as an important purpose in improving the quality of life of peoples in third world nations and generally provided goods & services in their communities. Micro-enterprises apart from improving the quality of life of business persons also adds to the value for the local economy, i.e., invisible hand are working in the micro-enterprises business. They also improve purchasing power of people and generate more income and creation of jobs.

The Union Territory (UT) of Jammu and Kashmir is blessed with an abundant human and natural resources, which if properly utilised would have turned India into a most developed economy. But given the massive corruption, the dominant role of public sector in the economic life of the state and lack of commitment has lost opportunities for growth and sustainable development in Jammu and Kashmir. The current govt policy of private sector led growth for job and wealth creation which is anchored on entrepreneurship is being pursued with vigor. In this new dispensation, government is to provide an enabling and conducive environment for the private sector to strive. The economy of state Jammu and Kashmir has suffered from disturbed conditions prevailing in the state since past 24 years. Both the centre and state governments are trying their best to put the economy back into track by enabling every layman to get employment opportunities. In a state fed up with violence and having a population 6

lac unemployed youths, the challenges in front of J&K state are immense. In this scenario, the thrust is on generation of employment for younger ages of both males and females in the state. (Ahmad, D. B. 2017)

Anantnag District is in the southern direction of Kashmir Valley. It is because of its rejuvenating climate, the melodious flow of sweet waters of its springs and streams, the inspiring majesty, fertile soil, its lofty mountains, fragrant flowers and crispy and delicious fruits that the district has come to be known for its greatness. The district has vast number of micro- entrepreneurs which adds more to the economy of the district. The district is the richest district in the south Kashmir because of its vast market and industrialisation.

Review of Literature

Lahiri, R. (2014), the main purpose of the study is to point out the problems and also to examine the institutional credit support by the financial institutions to MSMEs at Howrah district. The study is based on the primary source of data and has used the random sampling technique comprised of 30, 14 and 6 micro, small and medium units respectively. The data has been analyzed by the Henry Garrett's Ranking Technique which reveals that the major problems that MSMEs face in Howrah district are inadequate support of banks, primitive technology, less competition, infrastructural inadequacy and manual labour problems. The findings of the study also revealed that the ratio of the institutional credit provided to micro units is remarkably less vis-a-vis medium and small enterprises. The study further suggested that institutional credit support, marketing, skilled management, sophisticated technology and research and developments should be given highest priority surmount the problems of MSMEs.

Sugiarto, I. (2018), the study tries to find out and examine MSMEs strictly to expand their business. The analysis is based on both primary as well as secondary data, and is a cross sectional analysis. The study employed a qualitative method with a descriptive explorative approach. The study was conducted in Margamulya Village, Pasirjambu District, Bandung Regency from March 2018- May 2018 on MSMEs in the bags industry. The study concluded that the problems and difficulties to MSMEs come from the interior and the exterior environment. The internal problems include (HR) human resource competencies, production machinery and capital, and external hindrances are production competitiveness, marketing, and less optimal operation of information technology. This study suggested that the support of the provincial government is likely to be able to develop MSMEs by providing instructions and as a bridge to make easy to obtaining credit assistance from banks and financial institutions.

Saikia, P., & Hazarika, B (2018), The study aimed at analyzing the growth, performance, investment and employment opportunities in MSMEs, and also identifying the registered and unregistered MSME sectors. The analysis is based on the primary data gathered through surveys from both the rural and metro areas of the district. This study attempted to investigate the problems of micro enterprises in the district of Assam. The data has been analysed by using simple statistical techniques. The findings of the analysis revealed that majority (43.3%) of micro entrepreneurs are facing market problems and suffered losses. However, the Micro enterprises of Assam are developing quickly in relation to small and medium industrial units. The findings also revealed that Indian MSMEs are finding it hard to market their products in the national and foreign markets due to increasing competitiveness. The study suggested that Indian MSMEs need to improve their technology and lay more stress on innovation. The study suggested that financial institutions, agencies and government support are vital for the development of micro enterprises in the study district.

Kadam, S. A., & Pandey, D (2020), the study examined the hindrances and the development promoted for the post COVID-19 Micro, Small and Medium units. The data of this study is based on secondary source collected from the annual report of MSME, books and magazines. The study concluded that the MSMEs owners and managers have not sufficient resources to sign up skilled managers to take decisions about capital and technology. For that result, managerial experience is indispensable for major growth of micro, small and medium entrepreneurs in India. Government of India should develop further employment prospects through import and export up gradation.

Objective of the Study

To examine the challenges faced by micro entrepreneurs in Anantnag district of Jammu and Kashmir.

Hypothesis

There is no significant difference between the gender and challenges faced by micro entrepreneurs.

Methodology

The study is based on both primary as well as secondary data;

Primary Data

The primary data is collected from the respondents using a structured interview schedule. The micro enterprises are wood and wooden industries, iron and steel industries, manufacturing of Food products and Cement

and other Brick manufacturing industries etc. the list of these units were taken from (District industries Centre (DIC) Anantnag Jammu and Kashmir.

Secondary Data:

The secondary data is collected from books, published articles, reports, journals, magazines and periodicals has been consulted for the present study.

Sampling Size

As per the records of the DIC Anantnag, Jammu and Kashmir, 1430 Micro Entrepreneurs are available in the district. The researcher applied convenience sampling method to get the sample size of 10 in twelve Tehsils which is 120 micro entrepreneurs from twelve 12 Tehsils in the district Anantnag.

Statistical Tools

The study has been analysed by using SPSS software and descriptive statistics, percentage analysis and one way ANOVA like statistical tools are used to find out the results and to test the hypothesis.

Analysis and Interpretation

Data analysis is defined as a process of transforming, cleaning, and modelling data to discover useful information and the data interpretation is the process of reviewing data through some pre-defined process which will help assign some meaning to the data and arrive at a relevant conclusion.

Gender Composition of Micro Entrepreneurs

The following frequency distribution depicts the samples according to the gender; the gender of the respondents has been classified into two groups such as male and female. Responses in this view are existed in table 1.

Table 1: Gender Composition of Micro Entrepreneurs

Gender	Frequency	Percentage
Male	110	91.7
Female	10	8.3
Total	120	100

Source: field survey

Table 1 shows the gender wise classification of micro entrepreneurs. Out of 120 respondents 110 members are male and 10 members are female. Hence maximum number of units was run by males.

Age of the Entrepreneurs

The following frequency explains the samples according to the age group. The age of the respondents has been classified into four groups such as 20-30 years; 30 to 40 years; 40-50 years and above 50 years. Responses in this view are existed in table 2.

Table 2: Age of the Entrepreneurs

Age	Frequency	Percentage
20-30	20	16.7
30-40	55	45.8
40- 50	33	27.5
50-60	12	10.0
Total	120	100

Source: field survey

Table 2 deals with the age of respondents. There are 55 respondents in the age group of 30-40. This age group constituted 45.8% of total respondents, minimum number of respondents are from age group between 50-60 constituting only 10.0 % of total sample size. Hence maximum Micro units were run by persons in the age group of 30-40 years.

Family Size of the Respondents

The classification of the sample units according to the size of family members of the respondents the family size classified into four groups such as, Up to 3 members, 4 members, 5 members and above 5 members. Responses in this view are existed in table 3.

Table 3: Family Size of the Respondents

Family size	Frequency	Percentage
Up to 3 members	14	11.66
4 members	28	23.33
5 members	10	8.33
Above 5 members	68	56.66
Total	120	100%

Source: field survey

Table 3 deals with the number of family members. There are 68 respondents having above 5 family members, 28 respondents having 4 family members, 14 respondents having 5 family members and 14 respondents having up to 3 family members. Hence maximum micro units were run by above 5 five family members.

Form of Organisation

Micro entrepreneurs carry their business in different type of organisations. The popular type of organisation are- Sole proprietors and Partnership in the micro enterprises. Table 4 depicts the samples according to the type of firm.

Table 4: Form of Organisation

Form of organization	Frequency	Percentage
Sole proprietors	108	90
Partnership	12	10
Total	120	100

Source: field survey

Table 4 shows the frequency and percentage of distribution of entrepreneurs with regard to form of firm. The results indicate that 108 respondents have sole proprietors which constitute 90 per cent of the total sample size and only 12 respondents have Partnership firm which constitutes only 10 per cent of total sample size. Hence maximum micro enterprises were run by sole proprietors.

Descriptive Statistics of the Study

Table 5: Descriptive Statistics of the Study

Variables	SDA	DA	N	A	SA	Total	Mean
Inadequate finance from the banks and other financial institutions	4	27	3	70	16	120	3.56
	3.3	22.5	2.5	58.3	13.3	100%	
Lack of infrastructure in the market	6	5	13	81	15	120	3.78
	5.0	4.2	10.8	67.5	12.5	100%	

Scarcity of Raw materials	7	17	7	72	19	120	3.69
	4.2	14.2	5.8	60.0	15.8	100%	
Low quality of Raw materials	4	18	34	49	15	120	3.44
	3.3	15.0	28.3	40.8	12.5	100%	
Scarcity of Labour	43	10	13	67	27	120	3.88
	2.5	8.3	10.8	55.8	22.5	100%	
Lack of skilled management	11	21	19	56	13	120	3.33
	9.2	17.5	15.8	46.7	10.8	100%	
Lack of adopt new technology	9	29	14	58	10	120	3.26
	7.5	24.2	11.7	48.3	8.3	100%	

Source computed from primary data

Table 5 shows the mean value of the variables are 3.56, 3.78, 3.69, 3.44, 3.88, 3.33 and 3.26 respectively,. The table also shows that 58.3% of the respondents were agreed, 22.5% were disagreed, 13.3% were strongly agreed, 3.3% were strongly disagreed and 2.5% respondents were neutral regarding the problem of inadequate finance from banks and other financial institutions.

The problem of lack of infrastructure in the market which shows that 67.5% of the respondents were agreed, 12.5% were strongly agreed, 10.8% were neutral, 5.0% were strongly disagreed and 4.2% were disagreed.

The problem of scarcity of raw materials, 60.0% of the respondents were agreed, 15.8% were strongly disagreed, 14.25% were disagreed, 5.8% were neutral and 4.2% respondents were strongly disagreed regarding the problem of scarcity of raw materials in the study area.

The problem of lack of skilled management/ leadership, 46.7% of the respondents were agreed, 17.5% were disagreed, 15.8% were neutral, 10.8% were strongly agreed and 9.2% were strongly disagreed regarding the problem of lack of skilled management/ leadership.

Low quality of raw materials, 40.8% of the respondents were agreed, 28.3% were neutral, 15.0% were disagreed, 12.5% were strongly agreed and 3.3% were strongly disagreed relating to the problem of low quality of raw material.

The problem of scarcity of labour, 55.8% of the respondents were agreed, 22.5% were strongly agreed, 10.8% were neutral, 8.3% were disagreed and 2.5% respondents were strongly disagreed over the problem of scarcity of labour in the market.

The table 5 also concludes that the problem of inability to adopt new technology, that 48.3% of the respondents were agreed, 24.2% were strongly disagreed, 11.7% were neutral, 8.35% were strongly agreed and 7.5% were strongly disagreed on the problem of inability to adopt new technology.

So, to conclude we can say that these problems have been found in most of the respondents in the study area. However, the concentration of problem varies among the respondents. Lack of infrastructure in the market has been found in 80% of the respondents, scarcity of labour in the market has been found in 79% of respondents, inadequate finance from banks and other financial institutions have been found in 72% of the respondents, lack of skilled management/leadership problem has been found in 58% of the respondents, inability to adopt new technology problem is most common in 57% of the respondents and 51% respondents face the problem of low quality of raw material.

Hypothesis Test

There is no significant difference between the gender and challenges faced by micro entrepreneurs.

Table 5: One Way ANOVA for Gender of Respondents and Problems of Micro Entrepreneurs

Particulars	Gender	No	Mean	SD	F-value	Sig.
Inadequate finance from the banks and other financial institutions	Male	110	3.68	1.065	2.482	.048
	Female	10	2.80	1.032		
	Total		3.56	1.083		
Lack of infrastructure in the market	Male	110	3.77	0.915	1.429	.229
	Female	10	3.90	0.737		
	Total		3.78	0.899		
Scarcity of Raw materials	Male	110	3.69	1.020	0.433	.785
	Female	10	3.70	1.251		
	Total		3.69	1.035		
Low quality of Raw materials	Male	110	3.45	0.972	2.624	.038
	Female	10	3.40	1.349		
	Total		3.44	1.002		
Scarcity of Labour	Male	110	3.95	0.886	6.181	.000
	Female	10	3.10	1.197		
	Total		3.88	0.939		
Lack of skilled management	Male	110	3.27	1.156	1.644	.168
	Female	10	3.90	1.100		
	Total		3.33	1.160		
Lack of adopt new technology	Male	110	3.21	1.134	1.209	.311
	Female	10	3.80	1.135		
	Total		3.26	1.141		

Source computed from primary data

The table 5 deals with the one way ANOVA for problems of micro entrepreneurs and the gender of respondents. Among the seven variables four variables namely lack of infrastructure in the market, scarcity of raw materials, lack of skilled management and inability to adopt new technology has shown no difference with the gender, but three variables namely inadequate finance from banks and other financial institutions, scarcity of labour

in the labour market and low quality of raw material have shown significant difference with the gender, because their p- values are below 5% i.e., .048, .000 and .038 respectively.

So, it can be concluded that the null hypothesis is rejected with regard to the inadequate finance from banks and other financial institutions, scarcity of labour in the labour market and low quality of raw material. But, the null hypothesis is accepted in case of lack of infrastructure in the market, scarcity of raw material, lack of skilled management and inability to adopt new technology, as their p- values are greater than 5% i.e., .229, .785, .168 and .311.

Challenges Faced by Micro Entrepreneurs:

The Jammu and Kashmir has made its place in the industrial map of the country, however, there is still a requirement to go a long way in achieving industrialization of the size and magnitude required to get rid off from the industrial backwardness of the state take. There is an utmost need to remove the various blockages that come in the way of prolonged industrial development in J&K. The small-scale industrial sector in the state has a fantastic and an incredible potential of absorbing thousands of unemployed educated youngsters. The major challenges of micro entrepreneurs in in Anantnag district of Jammu and Kashmir are listed below:

Inadequate Finance:

Lack of timely and adequate access to finance is the major challenge for Micro entrepreneurs and has hampered their growth. The sector is unable to spend money in its manufacturing, access new technologies or acquire new skills due to lack of money, buy raw materials in a timely manner, which is a specific disadvantage in particular in its fight with its international competitors. The liquidity tightening and slowdown led to NPA problems, Finance Minister Nirmala Sitharaman to announce on ASSOCHAM's (Associated Chamber of Commerce and Industry of India) recent anniversary that rearranging of the Micro entrepreneur's sector can be done without categorising loans as a postal code.

Unavailability of Raw Materials

In the view of rising demand of industrial activity, the shortfall of exact type of raw material at normal prices has influenced the whole industrial sector. Because of their small type and weak financial situation, small-scale industries have to use the services of brokers to get raw materials on credit money. Such an arrangement, however, leads to higher costs and is particularly not advantageous when raw materials are imported, for the profit margins of brokers are rather high. Moreover, the uneven supply of some raw materials severely influenced their production. The problem of raw material has been extremely serious for steel-based industries like sewing machines, bicycles and their spare parts, automobile leaf springs, agricultural implements etc.

Lack of Advanced Technology

The owners of the Micro entrepreneurs are not conscious of the modern technologies of production. Their practice of production is obsolete. The proprietors are using obsolete means in the field of services and manufacturing.

Lack of Skilled Manpower

India is abundant in human resource, most of which are unskilled. Large firms pay higher salaries and employ mostly skilled workers. The Micro entrepreneurs have to function with untrained or semi-skilled workers. Thus, the Micro entrepreneurs hurt from low managerial competencies.

Inadequate Infrastructure Facilities

The infrastructural amenities like communication, economic information transport and power etc also influences the growth of entrepreneurs in the Anantnag as well as state. Although, things are varying slowly in Jammu and Kashmir but still perceived that entrepreneur faces huge mobility restrictions which become more marked due to rising insecurity out of the conflict in Jammu and Kashmir.

Conclusion

The Micro Small and Medium Enterprises MSME sector constitutes an important segment of the Indian economy in terms of its contribution to the country's industrial production, exports, employment and creation of a broad entrepreneurial base. So, it is rightly regarded as the backbone of the modern Indian Economy. Micro-entrepreneurs are small ventures which are financed by micro-credit. Micro-enterprises apart from improving the quality of life of business persons also adds to the value for the local economy, i.e., invisible hand is working in the micro-enterprises business. They also improve purchasing power of people and generates more income and creation of jobs.

The small-scale industrial sector in the state of J&K has a fantastic and an incredible potential of absorbing thousands of unemployed educated youngsters. The major challenges of micro entrepreneurs in in Anantnag district of Jammu and Kashmir are: low quality of raw material, scarcity of raw material, inadequate finance from banks and

other financial institutions, scarcity of labour in the market, lack of skilled management and inability to adopt new technology. The overall results show that Lack of infrastructure in the market has been found in 80% of the respondents, scarcity of labour in the market has been found in 79% of respondents, inadequate finance from banks and other financial institutions have been found in 72% of the respondents, lack of skilled management/leadership problem has been found in 58% of the respondents, inability to adopt new technology problem is most common in 57% of the respondents and 51% respondents face the problem of low quality of raw material. Hence, the overall results of the study show that micro- entrepreneurs in district Anantnag face a lot of problems.

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