



DEVELOPMENT OF MICRO ENTERPRISES IN UTTARKASHI DISTRICT OF UTTARAKHAND

Dr. Diwakar Buddha, Dr. Deepika

Head, Assistant Professor, Assistant Professor

Department of Commerce

R. C. U. Govt. PG College Uttarkashi, Uttarakhand.

ABSTRACT: Micro Small and Medium Enterprises act as engines for the growth of any economy. MSME's role in the social and economic development of India is extremely important. If we talk about Uttarakhand, despite being a small state it has some unlike features which offer gigantic growth potentials for micro, small and medium enterprises. Uttarkashi is a district of Uttarakhand which is full of possibilities for MSMEs. The present paper identified the overall percentage of micro enterprises amongst overall enterprises and growth of micro enterprises in Uttarkashi district of Uttarakhand. The paper further assessed the trend values of micro units for upcoming years till 2030-31.

KEY WORDS: Micro Enterprises, Growth, Investment, Employment, Uttarkashi, Trend.

INTRODUCTION

The MSME (Micro, small and medium enterprise) segment play significant role in the growth of any countries economy. In India also the MSME sector has emerged as a highly dynamic sector for the economy. It creates vast employment and entrepreneurship which benefits directly and indirectly to the country's socio-economy both ways. It has been found that MSMEs contributes in overall development of any country of state. The ministry of MSME in India runs different schemes, financial assistance, technological support, infrastructure development, training and market assistance for the noteworthy growth of MSMEs.

UTTARKASHI DISTRICT

Uttarakhand state has two divisions, Garhwal division and Kumaon division with thirteen districts. Uttarkashi is one of the district of Garhwal divisions of Uttarakhand state and has it headquartered at Uttarkashi city. It lies high in the Himalaya range and contains the source of both the Ganges and Yamuna rivers. Uttarkashi district lies on the main route of Gangotri Dham. The climate of Uttarkashi district provides compatible physical environment for human settlement. The district has 88 % of forest or barren and uncultivable. The growth of large and medium scale industries is nil for the past many years even small enterprises are found in very small numbers in Uttarkashi due to difficult hilly terrain and lack of infrastructure and connectivity but micro enterprises shown in good numbers in the district of Uttarkashi.

POTENTIALS FOR NEW MSMES

The major trees of Uttarkashi are Chir, Deodar, Banjh, Buransh, Boru and Bhoj Patra, Rice, Wheat, Chulai are the main crops and Apple, Guava, Pear apricot, kiwi, Mango ana Papaya are the main fruits of Uttarkashi. Cabbage, French Bean, Tomato, Pea, Spinach, Raddish, Onion, Garlic, Rai and Potato are the main vegetables and Rajma, Arhar, Masoor, Urd are the main Cereal. Iron, Copper, Graphite, Limestone are the main Minerals, Gangotri is a main glacier and Gangotri, Yamunotri, Har-ki-doon, Gaumukh are the main tourist Places in Uttarkashi.

Horticulture crops, Plantation crops like Jatorpha, Tourism and hydro Dam, Fishery, Forest based products, Herbs and Medicinal plants, Food processing, Wool based industry, Bee keeping etc are the investment sector suggested for Uttarkashi district.

Table No.1: - Total enterprises, investment and employment of micro and small Enterprises as on 31st march 2022:

Enterprise	No. of Enterprise	Investment (In Lakh)	Employment
<i>Micro Enterprises</i>	3765	404992294	9279
Small Enterprises	94	386429179	685
Total	3859	791421473	9964
<i>Micro Enterprises</i>	97.56%	51.17%	93.12%
Small Enterprises	2.44%	48.83%	6.88%
Total	100%	100%	100%

Authors findings based on DIC's reports

Interpretation: Above table showed that the composition of total micro units in overall number of micro and small enterprises is 97.56% and the small enterprises covered only 2.44%. The composition of capital invested by micro-scale enterprises is 51.17% and by small-scale enterprises is 48.83%. The employment generation by micro enterprises is 93.12% and by small enterprises is 6.88%.



Source: Author's creation

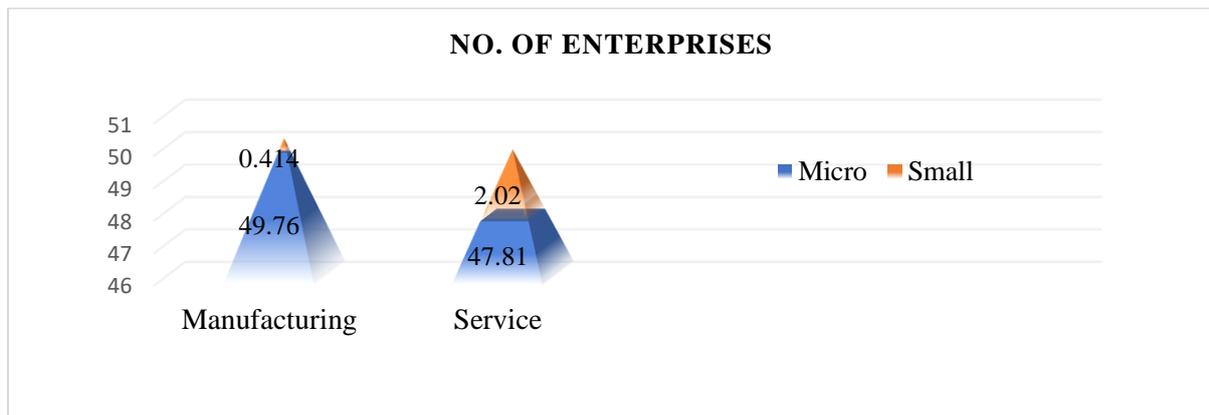
Above pie charts shows that numbers of micro enterprises are more than small enterprises but capital investment by both type of enterprises (Micro and small-scale enterprises) is almost parallel. The employment generation through micro enterprises is again more than small enterprises in Uttarkashi.

Table No. 2: -Percentage of micro and small enterprises in Uttarkashi as on 31st march 2022:

Sector	Micro	Small	Total
Manufacturing Enterprises	1920	16	1936
Service Enterprises	1845	78	1923
Total	3765	94	3859
Manufacturing Enterprises %	49.76	0.414	50.16
Service Enterprises %	47.81	2.02	49.83
Total %	97.57	2.434	100

Source: Authors findings based on DIC's reports

Above, table revealed that the composition of total *micro manufacturing sector's* units in overall number of SSE's is 49.76% and the small manufacturing sector covered the 0.414%, however, composition of *micro service enterprises sector* is 47.81% and small service enterprises is 2.02%.



NO. Of Enterprises

Source: Author's creation

REVIEW OF LITERATURE

This section would review the available literature on micro scale enterprises in the district of Uttarakhand.

In the year 2014 **Dey's** paper attempted to focus on the present status of MSMEs in India as well as future prospects of MSMEs and explored that MSME has been documented very important in both developed and developing countries. The research tried to identify the overall growth (Growth of employment, output, and promotion of exports) of MSMEs sector and main challenges faced by the MSMEs sector in India. The main objectives of the **Malewar and Nair (2014)** paper were to understand the leadership skills in MSME sector and to know the employee's contribution in various operational level activities in an enterprise. Study exposed that there are two major elements that command leadership position among SMEs that are technical Mastery and People Management. **Pujar** in 2014 found that Entrepreneur is one of the vital inputs in the economic growth and development of a country through the study with the main objective to analyse the role of MSME sector in generating employment in India. Study found that micro sector with 94.94 percent of enterprises of registered MSME sector was the most dominant sector in terms of number of enterprises which accounted for the largest and very dominant share of employment (70.19 %) of registered MSME sector. Study suggested that with proper infrastructure and other support from the Government for proper promotion and development this sector can boost the economy. **Appasaba, Kiran, and Kadakol** in 2013 investigated that Micro, Small and Medium Enterprises (MSME) are the backbone of the Indian manufacturing sector. The main objectives of the study were to understand the role of Micro, Small, and medium scale industries in the economic development of Shimoga district, to know the capital structural of the Micro, Small and Medium scale industrial units and to

examine the employment in Micro, Small and Medium scale industrial unit. **Afolabi** in 2013 investigated the effect of SMEs on economic growth in Nigeria between 1980 and 2010. Study revealed that there is significant relationship between small and medium enterprises financing and economic growth in the Nigerian economy. The study further suggested that there is need to create an enabling environment for SME development in terms of clear tenure rules, simple business registration, export procedures, accessible tax and financial incentive schemes in order to enhance their potentials in Nigeria. **Jain and Jain** in 2012 identified the present situation and future scope of SMEs in Uttarakhand. Study explored the challenges and opportunities faced by SMEs in Uttarakhand. According to their observations import substitutions and high allocation of funds to domestic production are the main reasons for growth and low capital base and low utilization are the main limitations of SME's.

RESEARCH GAP: -On the basis of available literature, it has been found that the most of the studies done, were focused on the growth, performance and achievements of Micro, Small and Medium Enterprises, covering all the segments of an economy together such as manufacturing and service industry. However separate study of individual states in context to the Micro or Small enterprises or MSME's has been done. But so far, no study has been done in reference to, the contribution of micro enterprises only, in context to Uttarkashi district of Uttarakhand.

OBJECTIVES OF THE STUDY: -

- 1- To identify the present percentage of micro enterprises in overall enterprises in Uttarkashi district of Uttarakhand.
- 2- To identify the growth of micro enterprises in numbers, capital investment and employment generation.
- 3- To assess the projected values of micro scale enterprises in the district.

HYPOTHESES: -

H1- There is significant difference in the growth of micro scale enterprises in numbers, capital invested and employment generated.

H1₁. There is significant difference in the growth of micro scale enterprises.

H1₂. There is significant difference in the growth of capital investment.

H1₃. There is significant difference in the growth of employment generation.

RESEARCH METHODOLOGY: -

In this study, the growth of the micro enterprises has been analysed on the basis of secondary data only, collected from the website of *District Industries Centre, Uttarakhand*. All the micro enterprises of Uttarkashi district have been covered for the study. To identify the proportion both sectors manufacturing and service have been used. To identify the growth and analyzed the projected values of the same, 22 year's data (2000-01 to 2021-22) have been studied and analysed with the appropriate statistical tools (Simple Percentage, T-test and Time series analysis. For effective understanding and presentation of data tables, pie charts and graphical presentation has been used to depict the data findings. In this paper, SPSS-26 has been used for analysis and interpretation of the data.

ANALYSIS OF DATA

Growth of micro scale enterprises (Manufacturing and service Industries) with regard to enterprises established, capital investment and employment generation.

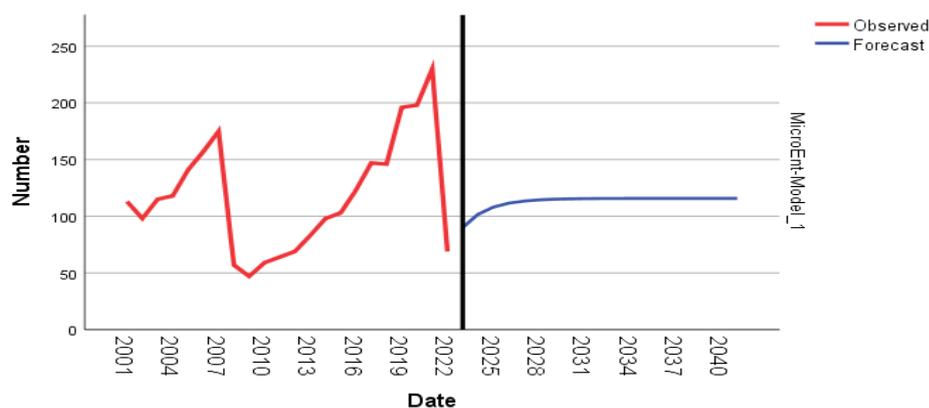
Table No. 3:- Growth of micro enterprises in the number of units.

Year	Units	Growth	Percentages	Predicted Value
2000-01	113	0.00	0.00	116
2001-02	98	(15.00)	(13.27)	114
2002-03	115	17.00	17.35	106
2003-04	118	3.00	2.61	115
2004-05	141	23.00	19.49	117
2005-06	157	16.00	11.35	130
2006-07	175	18.00	11.46	138
2007-08	57	(118.00)	(67.43)	148
2008-09	47	(10.00)	(17.54)	84
2009-10	59	12.00	25.53	78
2010-11	64	5.00	8.47	85
2011-12	69	00	0.00	87
2012-13	83	14	20.29	90
2013-14	98	15	18.07	98
2014-15	103	05	20.29	106
2015-16	123	22	26.51	109
2016-17	147	24	20.29	120
2017-18	146	(1)	(1.20)	133
2018-19	196	50	20.29	132
2019-20	198	2	2.41	160
2020-21	230	32	20.29	161
2021-22	69	(161)	(193.98)	178
2022-23				90
2023-24				102
2024-25				108
2025-26				112
2026-27				113
2027-28				114
2028-29				115
2029-30				115
2030-31				116

Source: Authors finding

(Data in parenthesis is a negative value)

Interpretation: Above table shows that there is a slight growth in the no. of micro enterprises from 2001 to 2006 but a decrease in 2007. From 2008 to 2020 again there is a growth in the numbers but in 2021 a decrease shown in the data. After 2021-22 it's revealed that there is small but a growth in the numbers of micro enterprises.



Observed and forecasted values of Small enterprises. (Source: Calculated through SPSS)

Above graph tells that after 2021-22 trend line or forecasted value line is little higher than average which means there is a slight growth of micro enterprises up to 2040.

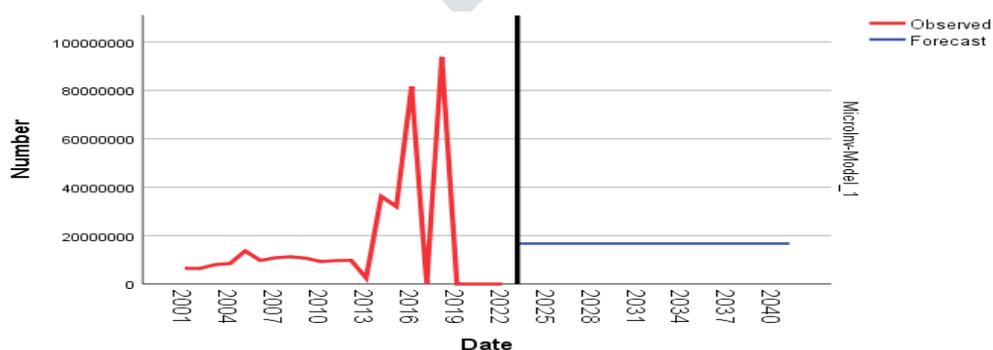
Table No. 4:- Growth of micro enterprises in the capital investment.

Year	Investment (In lakh)	Growth	Percentages	Predicted Value
2000-01	6507200	0	0	16697523
2001-02	6400000	(107200)	(1.64)	16697523
2002-03	8004000	1604000	25.06	16697523
2003-04	8454000	450000	5.62	16697523
2004-05	13684499	5230499	61.87	16697523
2005-06	9731000	(3953499)	(28.89)	16697523
2006-07	10866000	1135000	11.66	16697523
2007-08	11274000	408000	3.75	16697523
2008-09	10682000	(592000)	(5.25)	16697523
2009-10	9288000	(1394000)	(13.04)	16697523
2010-11	9682000	394000	4.24	16697523
2011-12	9790000	0	0	16697523
2012-13	2491000	(7299000)	(74.55)	16697523
2013-14	36192002.4	33701002	1352.91	16697523
2014-15	31982000	(4210002)	(11.63)	16697523
2015-16	81645000	49663000	155.28	16697523
2016-17	692	(81644308)	(99.99)	16697523
2017-18	93800262	93799570	13554851.16	16697523
2018-19	793	(93799469)	(99.99)	16697523
2019-20	1022	229	28.87	16697523
2020-21	1418.09	396	38.75	16697523
2021-22	1282.62	(135)	(9.55)	16697523
2022-23				16697523
2023-24				16697523
2024-25				16697523
2025-26				16697523
2026-27				16697523
2027-28				16697523
2028-29				16697523
2029-30				16697523
2030-31				16697523

Source: Authors finding

(Data in parenthesis is a negative value)

Interpretation: Table no. 4 reveals that there is a growth in the capital invested in micro enterprises from 2001-2014 with a huge decrease in 2015-16 and 2017-18. With the help of table's projected values, it can be assumed that after 2021-22 that there is no growth and no hike in the capital investment up to 2040. The trend value is showing below average values of capital investment.



Observed and forecasted values of capital investment (Source: Calculated through SPSS)

Above graph tells that after 2021-22 trend line or forecasted value line is on below average which means there is no growth in capital investment of micro enterprises up to 2040.

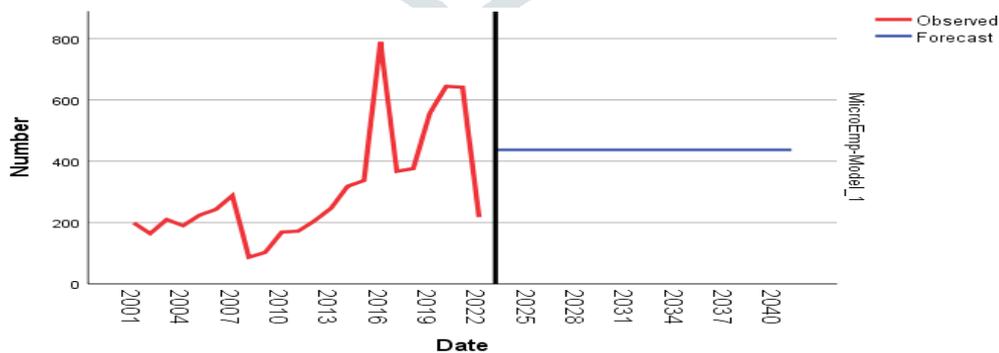
Table No. 5:- Growth of employment generation in micro enterprises.

Year	Numbers	Growth	Percentages	Predicted Value
2000-01	199	0	0	194
2001-02	164	(35)	(17.58)	196
2002-03	210	46	28.04	183
2003-04	190	(20)	(9.52)	194
2004-05	224	34	17.89	192
2005-06	243	19	8.48	205
2006-07	288	45	18.51	220
2007-08	87	(201)	(69.79)	246
2008-09	103	16	18.39	184
2009-10	169	66	64.07	152
2010-11	172	3	1.77	159
2011-12	206	0	0	164
2012-13	247	41	19.90	180
2013-14	318	71	28.74	207
2014-15	337	19	5.97	250
2015-16	789	452	134.12	284
2016-17	367	(422)	(53.48)	482
2017-18	376	9	2.45	437
2018-19	556	180	47.87	413
2019-20	644	88	15.82	469
2020-21	641	(3)	(0.46)	538
2021-22	218	(423)	(65.99)	578
2022-23				437
2023-24				437
2024-25				437
2025-26				437
2026-27				437
2027-28				437
2028-29				437
2029-30				437
2030-31				437

Source: Authors finding

(Data in parenthesis is a negative value)

Interpretation: Above table shows that there is a growth with few decreases in the employment generation in micro enterprises from 2001-2022. In the year 2016-17 and 2021-22 there is a decrease in employment generation. With the help of table’s projected values, it can be assumed that after 2021-22 that there is no growth and no hike in the capital investment up to 2040. The trend value is showing above average values of employment generation.



Observed and forecasted values of employment generation. (Source: Calculated through SPSS)

Above graph shows that after 2021-22 trend line or forecasted value line is on above average, which means there is an average growth in employment generation of micro enterprises up to 2040.

HYPOTHESIS TESTING

H1- There is significant difference in the growth of micro scale enterprises in numbers, capital invested and employment generated.

H1₁. There is significant difference in the growth of micro scale enterprises.

H1₂. There is significant difference in the growth of capital investment.

H1₃. There is significant difference in the growth of employment generation.

Table No. 6: T-test (One-Sample Test)

	t	Df	Sig.(2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Micro enterprises	10.935	21	.000	118.455	95.93	140.98
Micro investment	3.085	21	.006	16385371.414	5340049.96	27430692.87
Micro employment	7.641	21	.000	306.727	223.25	390.20

Source: Calculated through SPSS

INTERPRETATION: *The T-test table shows that the value of two tailed significance is smaller than 0.05 in all three parameters (0.000 units, 0.006 capital investment and 0.000 employment generation).* Thus, the data tells that there is a significant difference in the growth of units, capital investment and employment generation of micro enterprise.

CONCLUSION AND SUGGESTIONS

Uttarkashi district has enormous potentials in fruit, vegetables products and horticulture. It is found that proper supply chain infrastructure is needed for the development of this sector. The district has potentials for tourism and adventure but the same has to be done for this industry too.

In this study it has been concluded that although Uttarkashi district of Uttarakhand is full of natural resources but there are many difficulties in-front of micro, small and medium enterprises to work fluently. There is very slow growth in the units, capital investment and employment generation of micro enterprise in Uttarkashi. There are few decreases also found in the data but the major decrease has been found in the year of 2021-2022 and covid-19 could be the reason for this fall. Study further showed the graph of projected values of all three parameters and graph revealed that there is a slight hope for the growth of micro enterprises in Uttarkashi. The feather shawl industry, manufacturing of the sweet boxes, Photostat, auto and mobile repairing, confectionery products, woollen industry etc are the present economic activities of the district as well as weak communication network, low infrastructure, lack of entrepreneurship, shortage of skilled power etc are the main limitations of micro enterprises in Uttarkashi.

AREAS FOR FURTHER RESEARCH:-

Further study should be conducted on the topic like as problems and prospects faced by micro scale enterprises in Uttarkashi and growth of small-scale enterprises in Uttarkashi.

REFERENCES

- Afolabi, Michael Oluseye. (2013). Growth Effect of Small and Medium Enterprises (Smes) Financing in Nigeria. *Journal of African Macroeconomic Review*, 3.
- Appasaba L. V., Kiran G., A. M. Kadakol. (2013). Msmes in Economic Development - A Case Study of Shimogga Area. *International Monthly Refereed Journal of Research in Management and Technology*, 2, 111-120.
- Dey, S. K. (2014). MSMEs In India: Its Growth and Prospects. *Abhinav National Monthly Refereed Journal of Research in Commerce and Management*, 3(8), 26-33.
- Pujar, U. (2014). MSMEs and Employment in India: An Analytical Study. *IOSR Journal of Business and Management*, 16(5), 13-15.

