Microenterprises: Opportunity or Distress Driven

Gaurav Katoch

Assistant Professor, Commerce and Management, Career Point University, Hamirpur, Himachal Pradesh, India

Abstract: *The paper discusses the various socio economic factors that determine whether an individual will be able to start and operate an enterprise and also the probability of success.The paper deals with the demographic profile of the respondents that include ,place, location of an enterprise the experience and training received by the respondents.. Further, paper discusses various reasons to start the enterprises.*
Keywords: *Microenterprises, Socio economic, Demographic, Opportunity, Distress*

I. Introduction

The paper deals with the socio economic profile, demographic profile and other introductory information of the respondents. The socio economic factors determine whether an individual will be able to start and operate an enterprise and also the probability of success, *ceteris paribus*. For example, if the asset positioning of the respondents is good then there are chances that an individual will be able to take the risk and may opt for entrepreneurship. Similarly, other factors like education and age also may influence the respondents decision to opt for entrepreneurship. The understanding of diverse socio-economic features of sample entrepreneurs, is, therefore, essential to gain insights into some other aspects like production and technology of microenterprises. The paper deals with the demographic profile of the respondents that include ,place, location of an enterprise the experience and training received by the respondents.. Further, paper discusses various reasons to start the enterprise by respondents.

Need of the Study

In almost all the previous studies MSMEs have been jointly studied which include micro, small and medium enterprises. There is a significant difference between the micro, small and medium enterprises in terms of investment in plant and machinery and resources available to microenterprises as compared to small and medium enterprises.

Another important aspect related to the literature on microenterprises in India is that most of studies are based on the annual reports of the MSME ministry, economic census and NSS reports and have focused on the nature of microenterprises, their role in employment generation, role in GDPs, and role of several govt agencies in their promotion(Tybout, 2000; Jeppesen, 2007; Hyman, 2012; Boyer and Blazzy, 2013; Bischoff and Wood, 2013; Wit and Kok, 2014). It is against this background that following research issues needs to be empirically examined using household/enterprise level disaggregated data.

- What is the nature, size and composition of rural non-farm microenterprises in manufacturing? What proportion of these enterprises has been taken up in response to growth opportunities and what proportion has been induced by distress?
- What is the socio-economic profile in terms of caste, age, education and landholding status of households engaged in these enterprises? In addition, what are the gender dimensions in terms of ownership of these enterprises?

Objectives of the Study

1. To study the demographic profile of the respondents that include family members and their profile, place and location of an enterprise.
2. To analyze the experience and training received by the respondents.
3. To describe the asset position and the sources of livelihood of the respondents.
4. To analyze the various reasons to start the enterprise by respondents.

II. Methodology

Area, universe and units of the study

The study was conducted in the state of Himachal Pradesh at the state, district and household /enterprise level covering the microenterprises in four blocks i.e. Kangra, Indora, Dehra and Nurpur of Kangra district. The sample for the study was selected in the following manner. To begin with, out of twelve districts of

the state, Kangra with the highest concentration of microenterprises in manufacturing,as is evident from table1, was selected purposively.

Table 1: District wise total number of enterprises , 2005-06

S.No.	District	Rural	%age	Total	%age
1.	Bilaspur	14892	6.92	17950	6.70
2.	Chamba	14184	6.59	16896	6.31
3.	Hamirpur	16478	7.66	19962	7.45
4.	Kangra	53489	24.39	60250	22.50
5.	Kinnaur	3969	1.81	3969	1.48
6.	Kullu	14514	6.74	19246	7.19
7.	Lahaul&Spiti	1963	0.91	1963	0.73
8.	Mandi	32819	15.25	39190	14.64
9.	Shimla	19286	9.21	30013	11.21
10.	Sirmour	13243	6.15	17007	6.35
11.	Solan	15924	7.40	22405	8.37
12.	Una	14947	6.94	18932	7.07

Source: Economic census of Himachal Pradesh: 2005

Again, out of this selected district, four blocks with the highest concentration of microenterprises in manufacturing were selected purposively. Once the blocks were selected, a list of registered and unregistered microenterprises was prepared for each of the selected blocks. The list of registered microenterprises was compiled from DIC.Among these blocks, the major category of enterprises belong to iron and steel works, wooden furniture and flour and rice mills.The total number of registered microenterprises was 324; out of these 78 were located inKangra block, 96 in Indora, 56 in Dehra and 44 were found in Nurpur block. Out of total registered enterprises one-third to one-half of the enterprises were selected randomly from each of the selected blocks. The total number of the enterprises selected comes to be 108. Equal number of unregistered enterprises was also selected following a simple random sampling procedure. The composition of the enterprises on the basis of registration and block wise is shown in table 2

Table 2: Distribution of sample enterprises according to registration

Registration/Block	Kangra	Indora	Dehra	Nurpur	All
Registered enterprises	26	32	28	22	108
Unregistered enterprises	26	32	28	22	108
All	52	64	56	44	216

Source: Field Survey, 2013-14
Note: Figures in parentheses are the number of selected enterprises

The Data

Both the secondary and primary data was collected to accomplish the objectives of the study. The secondary data required was collected from the published reports of economic census of Himachal Pradesh and district industries centre, Dharamshala. The primary data was collected from the entrepreneurs with the help of a well-defined pre-tested schedule. After collecting data from 20 respondents, schedule was examined for omissions, layout problems and checking error, if any. The data from the selected entrepreneurs was collected through a personal interview method for the year 2013-14.

Analysis of data

The data was analyzed using appropriate statistical tools. The descriptive statistics like averages, percentages were computed to analyze various issues related to socio economic profile, production, technological and marketing aspects. The compound annual growth rate was used to calculate the growth in average production values of enterprises in the last ten years. The other statistical tools used in the analysis of data are weighted rank, regression analysis and chi square test.

Limitations of the Study

➢ The study is mainly concentrated on the three types of microenterprises *viz* steel and iron works, wood furniture and floor and rice mills. Therefore, the results of the study may not be the representative of microenterprises belonging to other categories.
➢ The results are based on what the participants had to share with the researcher. Some of the participants were secretive and not very open to talk about certain issues.
➢ Another possible limitation of the study is that the data collected is based on experiences and perspectives of the entrepreneurs, it has obvious limitation that there were no direct observation or check on their behavior.

Analysis and Interperation

Table 3 shows the age and gender wise distribution of the respondents. As may be seen from the table, considering the overall picture of both registered and unregistered enterprises, the proportion of the respondents in all the blocks who are in the age group of 31-40 yearsvaries between 50.2% in Indora and 63% in Nurpur which contradicts the hypothesis that entrepreneurs operating these microenterprises are comparatively old. According to gender, a preponderant majority of enterprises both in registered and unregistered enterprises, is owned by males in all the blocks.

Table 3: Distribution of enterprises according to age and gender of entrepreneurs (Percentage)

Particular/block	Kangra	Indora	Dehra	Nurpur	All
Registered enterprises					
Age(Years)					
20-30	14.8	3.0	4.3	4.0	6.4
31-40	51.9	45.5	52.2	68.0	54.3
41-50	14.8	33.3	34.8	24.0	26.8
51-60	14.8	15.2	8.7	4.0	10.8
61-70	3.7	3.0	0.0	0.0	1.8
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
Gender					
Male	92.6	84.8	82.6	84.6	86.2
Female	7.4	15.2	17.4	15.6	13.8
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
Unregistered enterprises					
Age(Years)					
20-30	3.7	6.5	13.3	10.5	8.2
31-40	59.3	54.8	63.3	57.9	58.5
41-50	29.6	25.8	16.7	5.3	19.5
51-60	7.4	12.9	6.7	26.3	13.8
61-70	0.0	0.0	0.0	0.0	0.0
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
Gender					
Male	85.2	96.8	90.1	78.9	88.0
Female	14.8	3.2	9.1	21.1	11.9
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
All enterprises					
Age(Years)					
20-30	9.3	4.8	8.8	7.3	7.4
31-40	55.6	50.2	57.8	63.0	56.4
41-50	22.2	29.6	25.8	14.7	23.2
51-60	11.1	14.1	7.7	15.2	12.1
61-70	1.9	1.5	0.0	0.0	0.9
Total	100.0(52)	100.0(64)	100.0(56)	100.0(44)	100.0(216)
Gender					
Male	88.9	90.8	86.4	81.75	87.1
Female	11.1	9.2	13.3	18.35	12.9
Total	100.0(52)	100.0(64)	100.0(56)	100.0(44)	100.0(216)

Note: Figures in parentheses are total number of enterprises/entrepreneurs based on which percentages have been calculated.
Source: Field survey, 2013-14

Table 4 shows the religion and caste wise distribution of the entrepreneurs. The table reveals that almost all the entrepreneursboth registered and unregistered in all the blocks, are Hindus.

Table 4: Distribution of enterprises according to category and religion of the entrepreneurs (percentage)

Particular/block	Kangra	Indora	Dehra	Nurpur	All
Registered enterprises					
Category					
General	55.6	54.5	43.5	61.5	54.3
SC	25.9	24.2	8.7	15.4	19.1
ST	0.0	0.0	0.0	0.0	0.0
OBC	18.5	21.2	47.8	23.1	26.6
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
Religion					
Hindu	100	100	100	96.4	99.1
Muslim	0.0	0.0	0.0	0.0	0.0
Sikh	0.0	0.0	0.0	4.6	1.1
Christian	0.0	0.0	0.0	0.0	0.0

	Kangra	Indora	Dehra	Nurpur	All
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
Unregistered enterprises					
Category					
General	51.9	60.2	43.3	78.9	59.5
SC	22.2	19.4	43.3	21.1	25.5
ST	0.0	1.0	0.0	0.0	0.3
OBC	25.9	19.4	13.3	0.0	14.6
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
Religion					
Hindu	100	98.0	100	100	99.4
Muslim	0.0	1.0	0.0	0.0	0.3
Sikh	0.0	1.0	0.0	0.0	0.3
Christian	0.0	0.0	0.0	0.0	0.0
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
All enterprises					
Category					
General	53.8	57.4	43.4	70.2	56.9
SC	24.1	21.8	26.0	18.3	22.3
ST	0.0	0.5	0.0	0.0	0.1
OBC	25.9	20.3	30.6	11.6	21.5
Total	100.0(52)	100.0(64)	100.0(56)	100.0(44)	100.0(216)
Religion					
Hindu	100.0	99.0	100.0	98.2	99.2
Muslim	0.0	0.5	0.0	0.0	0.1
Sikh	0.0	0.5	0.0	2.3	0.7
Christian	0.0	0.0	0.0	0.0	0.0
Total	100.0(52)	100.0(64)	100.0(56)	100.0(44)	100.0(216)

Note: Figures in parentheses are total number of enterprises/entrepreneurs based on which percentages have been calculated.
Source: Field survey, 2013-14

Table 5 presents the education level of the entrepreneurs. Considering both registered and unregistered enterprises, almost 90% of the entrepreneurs in all the blocks have education varying between matriculation and graduation level. Among these majority of the entrepreneurs are educated up to senior secondary level varying from 44.9% in Nurpur to 49.5% in Dehra block. However, in all the four blocks a very small percentages of the entrepreneurs have had technical education in all the blocks.

Table 5: Distribution of entrepreneurs according to level of education (Percentage)

Particulars/Block	Kangra	Indora	Dehra	Nurpur	All
Registered enterprises					
Illiterate	4.6	3.7	1.9	3.7	3.4
Primary	2.8	1.9	5.6	1.9	3.1
Middle	1.9	0.9	0.9	3.7	1.7
Matriculation	27.8	23.1	27.8	37	28.0
Senior secondary	55.6	50.9	44.4	37	47.0
Graduation	7.4	13.9	13.9	7.4	10.9
Post Graduation	0.0	2.8	0.9	1.9	1.4
Technical Education	0.0	2.8	4.6	7.4	3.5
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
Unregistered enterprises					
Illiterate	1.9	2.8	4.6	3.7	3.2
Primary	1.9	4.6	2.8	1.9	2.9
Middle	3.7	0.9	3.7	0.9	2.3
Matriculation	38.9	25.9	25.9	21.3	27.8
Senior secondary	35.2	44.4	54.6	52.8	46.1
Graduation	9.3	15.7	7.4	13.9	11.5
Post Graduation	1.9	1.9	0	3.7	1.7
Technical Education	7.4	3.7	0.9	1.9	3.5
Total	100.0(26)	100.0(32)	100.0(28)	100.0(22)	100.0(108)
All enterprises					
Illiterate	3.3	3.3	3.3	3.7	3.3
Primary	2.4	3.3	4.2	1.9	3.0
Middle	2.8	0.9	2.3	2.3	2.0
Matriculation	33.4	24.5	26.9	29.2	27.9
Senior secondary	45.4	47.7	49.5	44.9	46.6
Graduation	8.4	14.8	10.7	10.7	11.2
Post Graduation	1.0	2.4	0.5	2.8	1.6
Technical Education	3.7	3.3	2.8	4.7	3.5

Total	100.0(52)	100.0(64)	100.0(56)	100.0(44)	100.0(216)

Note: Figures in parentheses are total number of enterprises/entrepreneurs based on which percentages have been calculated.
Source: Field survey, 2013-14

Gender wise distribution of the family members of the respondents has been presented in Table 6. Considering both types of enterprises together, around half of the family members of the respondents are male in all the blocks.

Table 6: Gender wise distribution of family members of the respondents (Percentage)

Factor/Block	Kangra	Indora	Dehra	Nurpur	All
Gender					
Registered enterprises					
Male	54.3	55.0	51.5	57.6	53.9
Female	45.7	45.0	48.5	42.4	46.1
Total	100(175)	100(200)	100(165)	100(165)	100(705)
Unregistered enterprises					
Male	41.9	45.5	47.8	45.0	45.7
Female	58.1	54.5	52.2	55.0	54.3
Total	100(155)	100(165)	100(115)	100(100)	100(535)
All enterprises					
Male	48.1	50.3	49.7	51.3	51.3
Female	51.9	49.8	50.4	48.7	49.7
Total	100(330)	100(365)	100(280)	100(265)	100(1240)

Note: Figures in parentheses are total number of family members of enterprises/entrepreneurs on the basis on which percentages have been calculated.
Source: Field survey, 2013-14

Table 7presents the information of regarding location of the enterprises and those operating from home or outside home. As may be seen from the table, in case of both the registered and unregistered enterprises in all the blocks, almost all enterprises operate from outside home. Again, as may be seen from table 8 almost all registered and unregistered enterprises, in all the blocks operate from rural areas with the notable exception of Nurpur block where around 9% of the unregistered enterprises are located in urban areas.

Table 7: Place for the operation of enterprise (Percentage)

Place/Block	Kangra	Indora	Dehra	Nurpur	All
Registered Enterprises					
Home	0.0	3.1	0.0	0.0	0.9
Outside home	100.0	96.9	100.0	100.0	99.1
Total	100.0 (26)	100.0 (32)	100.0 (28)	100.0 (22)	100.0 (108)
Unregistered Enterprises					
Home	0.0	0.0	0.0	0.0	0.0
Outside home	100.0	100.0	100.0	100.0	100.0
Total	100.0 (26)	100.0 (32)	100.0 (28)	100.0 (22)	100.0 (108)
All enterprises					
Home	0.0	1.6	0.0	0.0	0.5
Outside home	100.0	98.4	100.0	100.0	99.5
Total	100.0 (52)	100.0 (64)	100.0 (56)	100.0 (44)	100.0 (216)

Note: Figures in parentheses are total number of enterprises/entrepreneurs based on which percentages have been calculated.
Source: Field survey, 2013-14

Table 8: Location of enterprise (Percentage)

Location/Block	Kangra	Indora	Dehra	Nurpur	All
Registered enterprises					
Rural	96.3	96.9	100	100	97.2
Urban	3.7	3.1	0.0	0.0	1.8
Total	100.0 (26)	100.0 (32)	100.0 (28)	100.0 (22)	100.0 (108)
Unregistered enterprises					
Rural	100.0	100.0	100.0	90.9	97.2
Urban	0.0	0.0	0.0	9.1	1.8
Total	100.0	100.0	100.0	100.0	100.0

	(26)	(32)	(28)	(22)	(108)
All enterprises					
Rural	98.2	98.5	100.0	95.5	97.2
Urban	1.9	1.6	0.0	4.6	1.8
Total	100.0 (52)	100.0 (64)	100.0 (56)	100.0 (44)	100.0 (216)

Note: Figures in parentheses are total number of enterprises/entrepreneurs on the based on which percentages have been calculated.
Source: Field survey, 2013-14

Table 10 presents the information regarding the percentage of entrepreneurs who have received the training before the start of enterprise. The table shows that among registered enterprises, around three-fifths of the entrepreneurs in Kangra block have had training prior to starting their enterprises while this proportion is 52.2% in Dehra, around one-third in Indora and 31% in Nurpur.

Table 10: Percent of entrepreneurs who have received training before the start of enterprise (Percentage)

Block	Kangra	Indora	Dehra	Nurpur	All
Registered Enterprises					
Yes	59.3	33.7	52.2	30.8	43.0
No	40.7	66.3	47.8	69.2	57.0
Total	100.0 (26)	100.0 (32)	100.0 (28)	100.0 (22)	100.0 (108)
Unregistered Enterprises					
Yes	48.1	38.7	46.7	26.3	39.4
No	51.9	61.3	53.3	73.7	60.6
Total	100.0 (26)	100.0 (32)	100.0 (28)	100.0 (22)	100.0 (108)
All Enterprises					
Yes	53.7	36.2	49.5	28.6	41.2
No	46.3	63.8	50.6	71.5	58.8
Total	100.0 (52)	100.0 (64)	100.0 (56)	100.0 (44)	100.0 (216)

Note: Figures in parentheses are total number of enterprises/entrepreneurs based on which percentages have been calculated.
Source: Field survey, 2013-14

Reasons for starting an enterprise

The following paragraph discusses various reasons for starting an enterprise as reported by the respondents. To understand the importance of different reasons, a weighted rank has been computed for each of the reported reason. While computing weighted rank, the main reason for starting an enterprise has been given weight 10 and the least important reason has been given weight 1. Based on the percentages, weighted rank has been calculated.

Tables 11 to 14 summarize the response of entrepreneurs regarding the main reasons for starting an enterprise. As may be seen from the table for registered enterprises, unemployment/no other source of livelihood is the main reason for starting an enterprise followed by self-motivation and falling agriculture income in all the blocks. The other main reasons for starting an enterprise are family business and location of village near the highway/town. Regarding unregistered enterprises again, unemployment/no other source of livelihood is reported to be the main reason for starting an enterprise followed by family business and location of village near the highway/town. The other important reasons for starting an enterprise are worked on salary with large enterprise and availability of govt. incentives schemes. Considering both the enterprises together, unemployment /no other sources of livelihood is the main reason for starting an enterprise followed by family business and self-motivation. The other main reasons for starting an enterprise are govt. incentives/schemes and worked on salary with large enterprise. As unemployment/no other source of livelihood is reported to be the main reason for starting an enterprise, it clearly supports the hypothesis that rural nonfarm enterprises are necessity based.

Table 11: Reasons for starting an enterprise in Kangra block: Perception of entrepreneurs(Proportion)

Reasons /Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9	Rank 10	Weighted rank
Registered enterprises											
Family Business	0.0	8.5	17.4	3.7	33.3	3.7	3.7	11.1	15.7	3.7	21.2
Self Motivation	11.1	19.6	28.5	3.7	3.7	7.4	3.7	3.7	11.1	7.4	25.8
Unemployment/no other source of	55.6	22.2	3.7	7.4	3.7	7.4	0.0	0.0	0.0	0.0	35.2

Reasons /Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9	Rank 10	Weighted rank
livelihood											
Govt. incentives /Schemes	7.4	7.2	6.0	29.7	3.7	11.1	12.7	3.7	3.7	14.8	21.9
Worked on salary with other enterprise	7.4	4.5	11.1	11.1	3.7	3.7	33.3	3.7	17.7	3.8	19.8
Availability of labour in the family	0.0	11.1	3.7	11.1	7.4	7.4	11.1	22.2	18.5	7.4	17.4
Availability of local market	3.7	14.8	3.7	7.4	14.8	7.4	11.1	11.1	7.4	18.5	19.2
Availability of finance/cheap finance	0.0	11.1	3.7	7.4	3.7	14.8	3.7	14.8	14.8	25.9	15.4
Falling agriculture income	7.4	0.0	18.5	14.8	14.8	14.8	7.4	3.7	7.4	11.1	21.8
Location of village near the highway /town	7.4	1.7	3.7	3.7	11.1	22.2	13.1	26.0	3.7	7.3	21.2
Unregistered enterprises											
Family Business	1.5	44.4	11.1	3.7	3.7	20.7	3.7	3.7	3.7	3.7	27.2
Self Motivation	0.0	0.0	22.2	33.3	7.4	7.4	3.7	14.8	3.7	7.4	22.2
Unemployment/no other source of livelihood	77.8	14.8	3.7	3.7	0.0	0.0	0.0	0.0	0.0	0.0	38.0
Govt. incentives /Schemes	3.7	7.4	11.1	11.1	7.4	14.8	15.8	18.5	3.7	6.4	20.5
Worked on salary with other enterprise	3.7	7.4	14.8	11.1	18.5	11.1	2.7	11.1	3.7	15.8	21.0
Availability of labour in the family	0.0	0.0	0.0	7.4	11.1	11.1	14.8	29.6	18.5	7.4	14.4
Availability of local market	0.0	11.1	14.8	7.4	18.5	3.7	14.8	7.4	18.5	3.7	20.5
Availability of finance/cheap finance	0.0	0.0	11.1	7.4	29.6	11.1	14.8	7.4	18.4	0.0	19.3
Falling agriculture income	1.7	3.7	10.1	7.4	0.0	14.8	11.1	3.7	22.1	25.9	15.0
Location of village near the highway /town	11.0	11.4	1.8	7.7	3.8	5.7	18.5	3.7	7.4	29.6	27.2
All enterprises											
Family Business	0.8	26.5	14.3	3.7	18.5	12.2	3.7	7.4	9.7	3.7	24.3
Self Motivation	5.6	9.8	25.4	18.5	5.6	7.4	3.7	9.3	7.4	7.4	24.1
Unemployment/no other source of livelihood	66.7	18.5	3.7	5.6	1.9	3.7	0.0	0.0	0.0	0.0	36.6
Govt. incentives /Schemes	5.6	7.3	8.6	20.4	5.6	13.0	14.3	11.1	3.7	10.6	21.2
Worked on salary with other enterprise	5.6	6.0	13.0	11.1	11.1	7.4	18.0	7.4	10.7	9.8	20.4
Availability of labour in the family	0.0	5.6	1.9	9.3	9.3	9.3	13.0	25.9	18.5	7.4	16.0
Availability of local market	1.9	13.0	9.3	7.4	16.7	5.6	13.0	9.3	13.0	11.1	19.9
Availability of finance/cheap finance	0.0	5.6	7.4	7.4	16.7	13.0	9.3	11.1	16.6	13.0	17.4
Falling agriculture income	4.6	1.9	14.3	11.1	7.4	14.8	9.3	3.7	14.8	18.5	18.5
Location of village near the highway /town	9.2	6.6	2.8	5.7	7.5	14.0	15.8	14.9	5.6	18.5	18.3

Source: Field Survey, 2013-14

Table 12: Reasons for starting an enterprise in Indora block: Perception of entrepreneurs (Proportion)

Reasons /Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9	Rank 10	Weighted rank
Registered enterprises											
Family Business	21.9	9.4	18.8	3.1	6.3	9.4	6.3	15.6	3.1	6.2	25.3
Self Motivation	0.0	15.5	0.0	37.6	12.5	9.4	6.3	6.3	9.4	3.1	23.2
Unemployment/no other source of livelihood	65.8	9.4	9.4	3.1	12.3	0.0	0.0	0.0	0.0	0.0	35.9
Govt. incentives /Schemes	0.0	9.4	12.5	6.3	6.3	9.4	28.1	6.3	12.5	9.3	18.8

Worked on salary with other enterprise	0.0	3.1	3.1	6.3	6.3	18.8	9.4	31.3	12.6	9.3	15.5
Availability of labour in the family	0.0	12.5	15.6	18.8	6.3	9.4	9.4	6.3	9.4	12.5	21.3
Availability of local market	0.0	12.5	15.6	18.8	6.3	3.1	9.4	6.3	15.7	12.5	20.5
Availability of finance/cheap finance	0.0	0.0	3.1	6.0	3.1	22.1	18.8	24.8	19.0	3.1	15.2
Falling agriculture income	0.0	9.4	18.8	0.0	37.5	15.6	3.1	3.1	9.4	3.1	22.8
Location of village near the highway /town	12.5	18.8	3.1	0.0	3.1	3.1	9.2	0.0	9.2	40.9	17.6
Unregistered enterprises											
Family Business	13.3	13.3	0.0	13.3	0.0	13.3	0.0	19.3	13.3	13.3	20.0
Self Motivation	0.0	23.3	23.3	20.3	0.0	3.3	0.0	17.3	13.3	0.0	24.9
Unemployment/no other source of livelihood	63.3	16.7	13.3	3.3	3.3	0.0	0.0	0.0	0.0	0.0	36.6
Govt. incentives /Schemes	6.7	6.7	0.0	6.6	13.3	3.3	43.3	6.7	6.7	6.7	19.0
Worked on salary with other enterprise	0.0	0.0	0.0	3.3	16.7	20.0	13.3	10.0	33.3	3.3	14.8
Availability of labour in the family	0.0	0.0	13.3	3.3	16.7	13.3	23.3	26.7	3.3	0.0	18.7
Availability of local market	6.7	16.7	16.7	13.3	16.7	6.6	3.3	6.7	10.0	3.3	24.9
Availability of finance/cheap finance	3.3	10.0	13.3	30.1	26.7	10.0	6.8	0.0	0.0	0.0	26.6
Falling agriculture income	6.7	10.0	20.3	3.3	3.3	6.6	6.7	13.3	20.0	10.0	20.1
Location of village near the highway /town	0.0	3.3	0.0	3.3	3.3	23.3	3.3	0.0	0.0	63.4	10.4
All enterprises											
Family Business	17.6	11.4	9.4	8.2	3.2	11.4	3.2	17.5	8.2	9.8	22.7
Self Motivation	0.0	19.4	11.7	29.0	6.3	6.4	3.2	11.8	11.4	1.6	24.0
Unemployment/no other source of livelihood	64.6	13.1	11.4	3.2	7.8	0.0	0.0	0.0	0.0	0.0	36.2
Govt. incentives /Schemes	3.4	8.1	6.3	6.5	9.8	6.4	35.7	6.5	9.6	8.0	18.9
Worked on salary with other enterprise	0.0	1.6	1.6	4.8	11.5	19.4	11.4	20.7	23.0	6.3	15.1
Availability of labour in the family	0.0	6.3	14.5	11.1	11.5	11.4	16.4	16.5	6.4	6.3	20.0
Availability of local market	3.4	14.6	16.2	16.1	11.5	4.9	6.4	6.5	12.9	7.9	22.7
Availability of finance/cheap finance	1.7	5.0	8.2	18.1	14.9	16.1	12.8	12.4	9.5	1.6	20.9
Falling agriculture income	3.4	9.7	19.6	1.7	20.4	11.1	4.9	8.2	14.7	6.6	21.5
Location of village near the highway /town	6.3	11.1	1.6	1.7	3.2	13.2	6.3	0.0	4.6	52.2	14.0

Source: Field Survey, 2013-14

Table 13: Reasons for starting an enterprise in Dehra block: Perception of entrepreneurs (Proportion)

Reasons /Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9	Rank 10	Weighted rank
Registered enterprises											
Family Business	0.0	34.9	26.1	4.3	8.7	4.3	4.3	8.7	4.3	4.3	26.8
Self Motivation	4.3	17.4	21.7	8.7	4.3	4.6	21.7	4.3	8.7	4.3	23.7
Unemployment/no other source of livelihood	78.3	13.0	0.0	0.0	0.0	8.7	0.0	0.0	0.0	0.0	37.1
Govt. incentives /Schemes	0.0	4.3	8.7	8.7	8.7	13.0	8.7	21.8	8.7	17.4	16.5

	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9	Rank 10	Weighted rank
Worked on salary with other enterprise	0.0	4.3	4.3	8.7	0.0	4.3	21.7	8.7	21.9	26.1	13.3
Availability of labour in the family	0.0	0.0	0.0	4.3	4.3	13.0	4.3	13.0	13.0	48.1	9.9
Availability of local market	0.0	0.0	8.7	4.3	8.7	21.8	13.0	17.4	8.7	17.4	15.7
Availability of finance/cheap finance	4.3	8.7	4.3	13.0	4.3	4.3	13.0	21.7	22.1	4.3	18.0
Falling agriculture income	13.0	13.0	13.0	8.7	4.3	21.7	13.0	0.0	4.3	8.7	24.2
Location of village near the highway /town	0.0	4.3	13.6	39.0	16.7	4.3	0.0	4.4	8.7	8.6	22.8
Unregistered enterprises											
Family Business	36.7	26.7	3.3	3.3	3.3	3.3	3.3	3.3	3.3	13.7	28.9
Self Motivation	0.0	6.7	20.0	36.7	0.0	6.7	3.3	13.3	13.6	0.0	23.2
Unemployment/no other source of livelihood	50.0	36.7	6.7	3.3	0.0	0.0	0.0	0.0	0.0	3.3	35.7
Govt. incentives /Schemes	0.0	0.0	13.3	13.3	20.0	3.3	3.3	23.3	13.3	10.0	17.9
Worked on salary with other enterprise	0.0	13.3	16.7	13.3	13.3	6.7	10.0	3.3	10.0	13.3	21.3
Availability of labour in the family	0.0	3.3	3.3	6.7	13.3	16.7	16.7	16.6	16.7	6.7	16.6
Availability of local market	6.7	6.6	10.0	6.7	10.0	16.7	16.7	6.7	13.3	6.6	20.3
Availability of finance/cheap finance	0.0	6.6	16.6	10.0	3.3	3.3	13.3	10.0	20.0	16.7	17.2
Falling agriculture income	6.6	0.0	10.0	6.7	16.7	10.0	13.3	10.0	10.0	16.7	18.2
Location of village near the highway /town	0.0	0.0	0.0	0.0	20.0	33.3	20.0	13.3	0.0	13.3	16.5
All enterprises											
Family Business	18.4	30.8	14.7	3.8	6.0	3.8	3.8	6.0	3.8	9.0	27.9
Self Motivation	2.2	12.1	20.9	22.7	2.2	5.7	12.5	8.8	11.2	2.2	23.6
Unemployment/no other source of livelihood	64.2	24.9	3.4	1.7	0.0	4.4	0.0	0.0	0.0	1.7	36.5
Govt. incentives /Schemes	0.0	2.2	11.0	11.0	14.4	8.2	6.0	22.6	11.0	13.7	17.3
Worked on salary with other enterprise	0.0	8.8	10.5	11.0	6.7	5.5	15.9	6.0	16.0	19.7	17.3
Availability of labour in the family	0.0	1.7	1.7	5.5	28.4	14.9	10.5	14.8	14.9	7.8	17.1
Availability of local market	3.4	3.3	5.0	3.4	5.0	8.4	8.4	3.4	6.7	3.3	21.6
Availability of finance/cheap finance	0.0	3.3	12.7	7.2	6.0	12.6	13.2	13.7	14.4	17.1	16.5
Falling agriculture income	5.5	4.4	7.2	9.9	10.5	7.2	13.2	15.9	16.1	10.5	18.2
Location of village near the highway /town	6.5	6.5	6.5	4.4	12.2	27.5	16.5	6.7	2.2	11.0	20.4

Source: Field Survey, 2013-14

Table 14: Reasons for starting an enterprise in Nurpur block: Perception of entrepreneurs(Proportion)

Reasons /Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9	Rank 10	Weighted rank
Registered enterprises											
Family Business	7.7	28.1	3.2	7.7	0.0	0.0	0.0	21.3	12.5	20.8	20.4
Self Motivation	4.2	4.2	4.2	54.8	8.3	4.2	7.7	4.2	4.2	4.2	24.5
Unemployment/no other source of livelihood	71.3	17.7	0.0	0.0	3.8	0.0	1.7	3.0	0.0	0.0	35.8
Govt. incentives /Schemes	4.2	16.7	20.8	0.0	8.3	4.2	12.5	4.2	12.5	16.6	21.0
Worked on salary with other enterprise	4.2	8.3	12.5	12.5	20.8	8.3	4.2	4.2	8.4	16.6	20.9
Availability of labour	0.0	0.0	4.2	4.2	12.5	12.5	33.3	12.5	8.3	12.5	15.7

in the family										
Availability of local market	0.0	0.0	4.2	8.3	12.5	16.7	12.5	8.3	25.0	12.5	15.2
Availability of finance/cheap finance	4.2	8.3	12.5	8.3	4.2	8.3	16.7	20.8	12.5	4.2	19.6
Falling agriculture income	4.2	16.7	29.2	4.2	8.3	12.5	4.2	4.2	8.3	8.4	24.4
Location of village near the highway /town	0.0	0.0	9.2	0.0	21.3	33.3	7.2	17.3	8.3	4.2	18.4
Unregistered enterprises											
Family Business	27.8	55.6	5.6	5.6	5.6	0.0	0.0	0.0	0.0	0.0	35.2
Self Motivation	0.0	0.0	0.0	50.0	11.1	5.6	5.6	5.6	11.1	11.1	20.3
Unemployment/no other source of livelihood	72.2	22.2	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.0
Govt. incentives /Schemes	0.0	5.6	11.1	11.1	22.2	16.7	11.1	5.6	11.1	5.6	20.5
Worked on salary with other enterprise	0.0	0.0	5.6	5.6	11.1	27.8	16.7	11.1	16.7	5.6	16.8
Availability of labour in the family	0.0	0.0	0.0	11.1	11.1	22.2	11.1	16.7	16.7	11.1	15.5
Availability of local market	0.0	0.0	0.0	0.0	22.1	16.7	27.8	16.7	5.6	11.1	15.7
Availability of finance/cheap finance	0.0	16.7	0.0	0.0	0.0	5.6	27.7	22.2	11.1	16.7	15.5
Falling agriculture income	0.0	0.0	22.2	16.6	16.7	5.6	0.0	0.0	0.0	38.9	18.1
Location of village near the highway /town	0.0	0.0	50.0	0.0	0.0	0.0	0.0	22.1	27.9	0.0	20.5
All enterprises											
Family Business	17.75	41.85	4.4	6.65	4.7	0	0	10.65	6.25	10.4	27.7
Self Motivation	2.1	2.1	2.1	52.4	9.7	4.9	6.65	4.9	7.65	7.65	22.4
Unemployment/no other source of livelihood	71.75	19.45	2.8	0	0	0	0	1.5	0	0	36.5
Govt. incentives /Schemes	2.1	11.15	15.95	5.55	15.25	10.45	11.8	4.9	11.8	11.1	21.1
Worked on salary with other enterprise	2.1	4.15	9.05	9.05	15.95	18.05	10.45	7.65	12.55	11.1	18.9
Availability of labour in the family	0	0	2.1	7.65	11.8	17.35	22.2	14.6	12.5	11.8	15.6
Availability of local market	0	0	2.1	4.15	17.3	16.7	20.15	12.5	15.3	11.8	15.5
Availability of finance/cheap finance	2.1	12.5	6.25	4.15	2.1	6.95	22.2	21.5	11.8	10.45	17.6
Falling agriculture income	2.1	8.35	25.7	10.4	12.5	9.05	2.1	2.1	4.15	23.65	21.3
Location of village near the highway /town	0	0	29.6	0	10.65	16.65	3.6	19.7	18.1	2.1	19.5

Tables 15 to 20 shows the results of chi square tests to check whether there is difference between the reasons to start an enterprise between different blocks. It is clear from the tables that p values for all the reasons for starting an enterprise are more than 0.05, which is insignificant and hence support the null hypothesis that there is no significant difference between the different blocks for starting an enterprise.

Table 15: Difference in reasons for starting an enterprise between Kangra and Indora blocks: Results of chi-square (χ^2) test

Reasons	Coefficient	p-value
Family Business	13.200	0.213
Self Motivation	14.000	0.526
Unemployment/no other source of livelihood	15.333	0.356
Govt. incentives /Schemes	17.333	0.239
Worked on salary with other enterprise	20.000	0.095
Availability of labour in the family	20.000	0.172
Availability of local market	15.333	0.224
Availability of finance/cheap finance	17.333	0.185
Falling agriculture income	11.333	0.660

Location of village near the highway /town	16.000	0.141

Source: Calculated by author

Table 16: Difference in reasons for starting an enterprise between Kangra and Dehra blocks: Results of chi-square (χ^2) test

Reasons	Coefficient	p-value
Family Business	13.200	0.213
Self Motivation	14.000	0.526
Unemployment/no other source of livelihood	15.333	0.356
Govt. incentives /Schemes	17.333	0.239
Worked on salary with other enterprise	20.000	0.095
Availability of labour in the family	20.000	0.172
Availability of local market	15.333	0.224
Availability of finance/cheap finance	17.333	0.185
Falling agriculture income	11.333	0.660
Location of village near the highway /town	16.000	0.141

Source: Calculated by author

Table 17: Difference in reasons for starting an enterprise between Kangra and Nurpur Blocks: Results of chi-square (χ^2) test

Reasons	Coefficient	p-value
Family Business	12.000	0.101
Self Motivation	18.000	0.263
Unemployment/no other source of livelihood	16.000	0.249
Govt. incentives /Schemes	18.000	0.263
Worked on salary with other enterprise	15.000	0.378
Availability of labour in the family	17.333	0.239
Availability of local market	12.667	0.394
Availability of finance/cheap finance	18.000	0.263
Falling agriculture income	13.333	0.422
Location of village near the highway /town	15.333	0.168

Source: Calculated by author

Table 18: Difference in reasons for starting an enterprise between Indora and Dehra blocks: Results of chi-square (χ^2) test

Reasons for Starting an Enterprise	Coefficient	p-value
Family Business	6.143	0.631
Self Motivation	16.000	0.524
Unemployment/no other source of livelihood	18.000	0.263
Govt. incentives /Schemes	12.667	0.553
Worked on salary with other enterprise	18.000	0.207
Availability of labour in the family	18.000	0.263
Availability of local market	18.000	0.263
Availability of finance/cheap finance	14.667	0.401
Falling agriculture income	16.000	0.313
Location of village near the highway /town	17.333	0.239

Source: Calculated by author

Table 19: Difference in reasons for starting an enterprise between Indora and Nurpur blocks: Results of chi-square (χ^2) test

Reasons	Coefficient	p-value
Family Business	12.000	0.101
Self Motivation	18.000	0.263
Unemployment/no other source of livelihood	16.000	0.249
Govt. incentives /Schemes	18.000	0.263
Worked on salary with other enterprise	15.000	0.378
Availability of labour in the family	17.333	0.239
Availability of local market	12.667	0.394
Availability of finance/cheap finance	18.000	0.263
Falling agriculture income	13.333	0.422
Location of village near the highway /town	15.333	0.168

Source: Calculated by author

Table 20: Difference in reasons for starting an enterprise between Dehra and Nurpur blocks: Results of chi-square (χ^2) test

Reasons	Coefficient	p-value
Family Business	9.810	0.279
Self Motivation	18.000	0.263
Unemployment/no other source of livelihood	18.000	0.263
Govt. incentives /Schemes	18.000	0.263
Worked on salary with other enterprise	16.000	0.453
Availability of labour in the family	18.000	0.263
Availability of local market	13.333	0.422
Availability of finance/cheap finance	18.000	0.324
Falling agriculture income	18.000	0.207
Location of village near the highway /town	11.333	0.583

Source: Calculated by author

III.   Conclusions and Suggestions

Entrepreneurs in the age group of 31-40 years own nearly one-half of the enterprises across all the blocks. In terms of religion, almost all the enterprises belong to Hindus. Caste wise more than half of the enterprises belong to the entrepreneurs of general category followed by around one-fifth of the enterprises owned by those belonging to SC and OBC categories. Almost half of the entrepreneurs have had education up to senior secondary level followed by another one-fourth with education up to matriculation. A very small percentage of the respondents have technical education. Gender wise, male own majority of enterprises (87.1%).

Further, a preponderant majority of enterprises operated outside the home with almost all the enterprises operating in rural areas.

Around one-half of the entrepreneurs in all the four blocks have received training prior to starting of their enterprises, out of which a preponderant majority of the entrepreneurs got training related to production aspects. Around two- fifths of the respondents have also had work experience before starting their own enterprises and most of them have got their experience related to production. The average duration of work experience is 2.1 years

Among the reasons for starting an enterprise, unemployment/no other source of livelihood is reported to be the most important reason by the entrepreneurs in all four sample blocks. The other important reasons are family business, self-motivation, falling agriculture income, and location of village near highway/town. The results of chi square test shows that there was no significant difference in the reasons reported for starting enterprises across the four blocks.

References

[1].   Tybout, J. R. (2000). Manufacturing firms in developing countries: How well do they do, and why? Journal of Economic literature, 11-44.
[2].   Hyman, E. L. (1993). Production of edible oils for the masses and by the masses: The impact of the ram press in Tanzania. World Development,21(3), 429-443.
[3].   Bischoff, C., & Wood, G. (2013). Micro and small enterprises and employment creation: A case study of manufacturing micro and small enterprises in South Africa. Development Southern Africa, 30(4-5), 564-579.
[4].   Boyer, T., &Blazy, R. (2014). Born to be alive? The survival of innovative and non-   innovative French micro-start-ups. Small Business Economics, 42(4), 669-683.
[5].   Carr, M. (1996b). Cassava processing in Nigeria and West Africa. In Beyond credit: A subsector approach to promoting women's enterprises, ed. M. A. Chen. Ottawa: AgaKhan Foundation.
[6].   De Wit, G., & De Kok, J. (2014). Do small businesses create more jobs? New evidence for Europe. Small Business Economics, 42(2), 283-295.