

SOCIO-ECONOMIC STATUS & PROBLEMS OF NON-FARMING MICRO ENTERPRISES: WITH REFERENCE TO NANDED DISTRICT

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Abstract :For rural non-farm employment we use definition given by the 1991 census which is workers who have been “engaged in some economic activity only those who works over 183 days in a year, mainly in RNFE during the year preceding enumeration and who are neither cultivators nor agricultural labours but are other workers.” Nanded district of Maharashtra state is not exception to the reviewed macro-economic scenario and coverage of non-farm sector. Nanded is a one of the economically and industrially backward district of Maharashtra.

The prime concern of the people in the area is agriculture. Over a period of time there is a significant occupational shift from agriculture to non-agriculture in the form of micro-enterprises. As what makes them to undertake the non-farm activity from agriculture is the need of hoar to know and understand the implications of it. This will facilitate to formulate the strategy to accelerate the growth of micro enterprises in rural areas which will help to the employment and increase and improve their income and also minimize unemployment. It is therefore important to examine the profile of the segment constituting the NFS. The present study is an attempt to understand the emergence and sustenance of entrepreneur in rural areas.

Keywords: Micro Enterprises, Socio-Economic, Non Farming, Government Schemes.

INTRODUCTION

For rural non-farm employment we use definition given by the 1991 census which is workers who have been “engaged in some economic activity only those who works over 183 days in a year, mainly in RNFE during the year preceding enumeration and who are neither cultivators nor agricultural labours but are other workers.”

For our study we shall define RNF workers as: 'engaged in-farm activities, any worker within a household who has a primary occupation one or several of the activities covered by the census of India 1991 in other words all those who works in a primary occupation in any field of economic activity other than cultivation or agricultural labour who in turn are deemed as non-farm workers.

Rural non-farm sector (RNF) has a major contribution in the development of rural area as far as its number of enterprises and employment is concerned. According to the (1192) Economic census report of the central statistical organization there were a total of 127,98,245 rural enterprises, of which 16.8% were in agriculture and 83.2% were in non-farm sector. Out of the total rural enterprises, 75.2% were privately owned and managed. This sector employed 43.7 million people in 1991, constitution 19.7% of the total rural main workers worked who are engaged in work more that 183 days in the year. It was estimated to be growing at the rate of 5.4% per annum and occupied a significant part of the economy and had all the potential of becoming more important.

1.1 REVIEW OF LITERATURE

There are studies available on the rural entrepreneurs and owners of village based micro-enterprises in India and abroad as well. Some of these studies are comprehensive referred especially to understand collective impact of there and its phenomenon such as promoting a small business and evaluation of promotional agencies as well in rural economy. Basically the studies are strategy oriented to promote, rural an entrepreneurs evaluation studies and certain empirical studies are carried out in isolation. Naturally therefore, necessary to review the divergence of views and approaches.

1.2 OBJECTIVES OF THE STUDY

- 1.To examine the socio-economic profile of the Micro entrepreneurs in Nanded District.
- 2.To study the awareness of Nonfarm Micro entrepreneurs as an entrepreneurs about non farming development programmes and scheme to Promote Nonfarm enterprises in Nanded District.

1.3 HYPOTHESIS OF THE STUDY

1. The Socio-Economic conditions of Micro Entrepreneurs are not good.

1.4 RESEARCH METHODOLOGY:

The required primary data for this investigation has collected from the non farming entrepreneurs from various backgrounds and activities and necessary secondary data has collected from concern offices, Books, Journals, annual Reports, Newspapers etc.

The research design, research approach, research strategy, sample collection methods, data collection method and data analysis are the main constituents of research methodology.

1.5 DATA COLLECTION

1.5.1 Primary data

The researcher has collected primary data through administered questionnaire and interview. The researcher has collected primary data from the Micro-entrepreneurs of the non farming sector in Nanded district.

1.5.2 Secondary data

The researcher has collected secondary data to be informed about the nature, problems, socio-economic status and development programme of Micro entrepreneurs in Nanded districts. The secondary data has been collected from different govt. offices, books, news papers, research institutions, district statistical offices, journals and periodicals.

1.6 SAMPLE SELECTION

The Universe Population of the Micro Non Farm Entrepreneurs in Nanded District is infinite, because they don't have registration with the any Government agency, Such as DIC, MIDC, and MSSIDC etc. So, We have been selected total 200 Micro Non Farm Entrepreneurs from the entire Nanded District as per Purposive Quota Sampling Method & We have selected 200 samples from 16 talukas as per their Population Ratio.

1.7 SCOPE OF THE STUDY

Keeping in view the growing contribution of non-farm sector in the overall process of rural development, especially in terms of providing employment opportunities and the avenue of income to the labour force and thus, in bringing improvements in the economic condition of rural households, as experienced in various state of India, the main objective focus of the present study has been cantered around to examine the structure, growth, development potentials and the kind of problems existing in the proper function of various nonfarm activities and finally to investigate the possibility and measures to be initiated for developing different activities so that ongoing serious problems of unemployment and poverty in the rural areas of Maharashtra can be reduced at certain extent. The study is also an attempt to examine the existing structure, trends in growth and the nature of participation of different communities in nonfarm

employment available in different rural nonfarm activities in varies region of the state.

2.0 Data analysis:

Table No. 1.1
Water resources for Nonfarm area in Nanded district

Resource	Men	Percentage	Women	Percentage	Total	Percentage
Bore	50	27.77	4	20.00	54	27.00
Well	60	33.33	6	30.00	66	33.00
Lake	65	36.11	5	25.00	70	35.00
other	05	2.77	5	25.00	10	5.00
Total	180	100%	20	100%	200	100.00%

Source: Field Survey

On the above table Water is the main part of life of all live like human being, animal and plants. Entrepreneurs groups with the help of water many areas of Nanded districts there are number of water resources. The weight of non farm sector also depends upon the water. It sufficient water provided to the automatically increase the income of entrepreneur. The series of the above is decreasing Lake, well, Bore and other i.e.35%, 33%, 27% and 5% respectively.

Table 1.2
Problems to Non Farm sectors

Sr. No.	Particular	Mean (Y) of problems
01	Transportation	50.00%
02	Tech. Problem	25.00%
03	Language Problems	05.00%
04	Economic Problems	10.00%
05	Other Problems	10.00%

Source: Field Survey

From table No. 1.2 it seems that there is lack of amenities in socio-cultural set-up of non farm sector entrepreneurs relating to Transportation (50%), lack of Tech. problems (25%), Language Problem (5%) Economic Problems (10%) and other problems (2.8%), respectively.

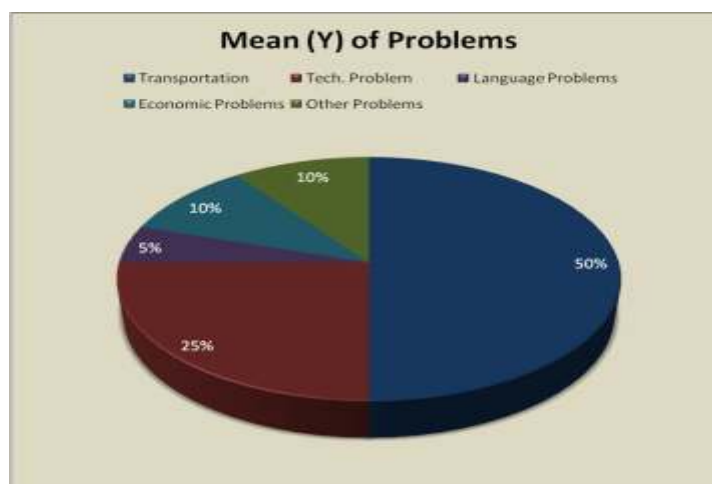


Table 1.3
Income of the Respondents

Income	Men	Percentage	Women	Percentage	Total	Percentage
Below 25000	45	25.00	5	25.00	50	25.00
25001 - 50000	70	38.88	7	35.00	77	38.5
50001 - 75000	55	30.55	4	20.00	59	29.5
Above 75000	10	5.55	4	20.00	14	7.0
Total	180	100%	20	100%	200	100.00%

Source: Field Survey

We found high concentration of sample beneficiary households in the income group Rs. 25001 to 50000 per annum among selected districts. The Nanded district has highest percentages of households in the income group Rs. 25001 to 50000 followed by the percentage of households is in the income group Rs. 50001 to Rs. 75000. The lowest percentages of sample beneficiary household are in the income group above Rs. 75000 per annum covering the entire district within this income brackets. The Nanded district Kinwat Taluka has highest percentage of households.

Table- 1.4
Transportation facilities of Non Farm sector in Nanded district

Travelling	Men	Percentage	Women	Percentage	Total	Percentage
Bulk cart	60	33.33	3	15.00	63	31.50
Bus/Truck/ Auto	65	36.11	9	45.00	74	37.00
Train	45	25.00	5	25.00	50	25.00
Other	10	5.5	3	15.00	13	6.50
Total	180	100%	20	100%	200	100.00%

Source: Field Survey

The transportation of sample beneficiaries by travelling in the selected districted shows that, in the total sample, the percentage of bulk card beneficiaries (31.50%) is much higher than the percentage of beneficiaries of other trains and other transportation (25%). The same trend can be seen for each of the district in the selected sample. In hilly area (Kinwat and Mahur) the percentage of transportation beneficiaries is around same other than hilly area the highest percentages.

Table- 1.5
Level of Capital Investment in different Non-Farm activities

Capital	Men	Percentage	Women	Percentage	Total	Percentage
Below 20000	40	22.22	3	15.00	43	21.50
20001 - 50000	80	44.44	7	35.00	87	43.50
50001 - 100000	25	13.88	5	25.00	30	15.00
Above 100000	35	19.44	5	25.00	40	20.00
Total	180	100%	20	100%	200	100.00%

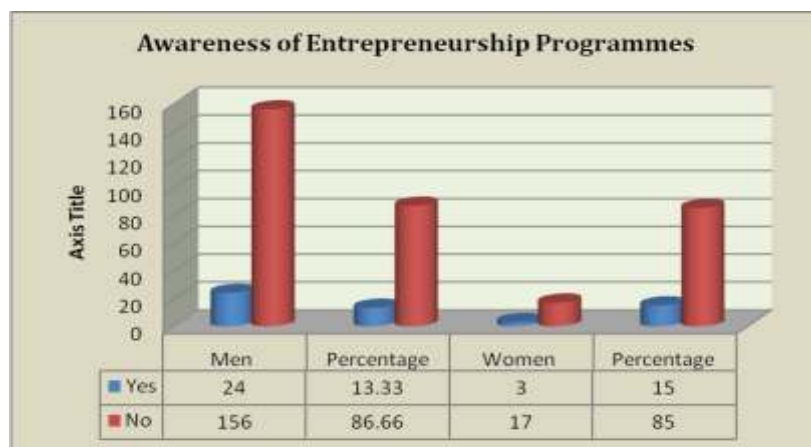
Source: Field Survey

On the above table is shown that the level of capital investment in different nonfarm activities. 87 beneficiaries are adopted the capital range of 2000-5000. This range is most effective in the non farm sector. Behind that 43 sample adopted first range of capital i.e. below 2000. Only few samples are adopted high range of capital.

Table- 1.6
Awareness about Entrepreneurship training Programmes & Financial Schemes

Sr. No.	Particulars	Men	Percentage	Women	Percentage	Total	Percentage
01	Yes	24	13.33	3	15	27	14.00
02	No	156	86.66	17	85	173	86.00
	Total	180	100%	20	100%	200	100%

Source: Field Survey



In this Table 173 (86%) respondents said that they don't have awareness about various Entrepreneurship training Programmes & other Financial Schemes which is run by the Central & State Government & only 27 (14%) respondents said that they have awareness about the various Entrepreneurship training Programmes & other Financial Schemes which is run by the Central & State Government.

Table- 1.7
Entrepreneurship training from Institutions before starting business

Sr. No.	Particulars	Men	Percentage	Women	Percentage	Total	Percentage
01	Yes	11	6.11	1	5	12	6
02	No	169	93.88	19	95	188	94
	Total	180	100%	20	100%	200	100%

Source: Field Survey

In this Table 188 (94%) respondents said that they have not taken any Entrepreneurship training before starting their business activity & Only 12 (6%) respondents said that they have taken Entrepreneurship training before starting their business activity.

Table- 1.8
Loan from Financial Corporation of State/ Central Government

Sr. No.	Particulars	Men	Percentage	Women	Percentage	Total	Percentage
01	Yes	21	11.66	3	15	24	12
02	No	159	88.33	17	85	176	88
	Total	180	100%	20	100%	200	100%

Source: Field Survey

In this Table 176 (88%) respondents said that they don't have taken any financial assistant from the Financial Institutions run by the State/ Central Governments & Only 24 (12%) respondents said that they have taken Loan from the Financial Institutions run by the State/ Central Governments.

So, only 12% respondents have taken financial assistant from the Financial Institutions run by the State/ Central Governments.

H1 The Socio-Economic conditions of Micro Entrepreneurs are not good.

Table- 1.9
Values for Chi-square Test

Sr. No.	Category	Not Good	Good	Total
1	General	45	58	103
2	SC & ST	26	14	40
3	OBC	16	13	29
4	Other	17	11	28
Total		104	96	200

Source: Compiled by Primary data

$d.f. = 3$	Table value= 7.82	$\chi^2 = 6.52$
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With the help of above Table (1.9), Chi-square test (χ^2) that the Table value of (χ^2) for 3 d.f. at 5% level of significance is 7.82. Since, the calculated value of (χ^2) (6.52) is less than the table value (7.82).

Hence, *the present hypothesis (H1) i.e. the Socio-Economic conditions of Micro Entrepreneurs are not good is proved.*

3.0 CONCLUSION

The researcher attempted to achieve all the objectives of the study based on the hypothesis formulated. Based on the output of the study, the researcher arrived at the following conclusions.

Annual income of the entrepreneurs are very low 38.5% respondents annual income is Rs. 16,000/- to Rs. 40,000/- & only 7% entrepreneurs has the income more than Rs. 75,000/-.

Main reason for establishment non farming enterprise is the lack of employment 47.50% respondents said that they have started their business activities because of unemployment. Entrepreneurs are motivated by their friends & relatives to starting business activity, 48.50% respondents motivated by their friends & relatives.

Nonfarm entrepreneurs don't have the awareness about the various Nonfarm Entrepreneurship training Programmes & other Financial Schemes which is run by the Central & State Government, 86% respondents don't have awareness about the rural entrepreneurship training Programmes & other Financial Schemes which is run by the various government agencies.

3.1 SUGGESTIONS:

On the basis of responses taken from the nonfarm entrepreneurs & on the basis of whole research work, researcher has given suggestions for the development of Nonfarm enterprises in Nanded District.

3.1.1 Suggestions to Nonfarm Entrepreneurs

Government alone can't do anything, nor the Nonfarm entrepreneurs alone do anything there is the need to work together both Government & Nonfarm entrepreneurs, when both work together by mutual understanding it will be easy to develop Nonfarm enterprises.

1) It is suggested that Nonfarm entrepreneurs should manage their business properly, because they are facing various difficulties like Lack of Capital, Competition, Low income etc, so these problems can be reduced by proper management.

2) Most of the nonfarm entrepreneurs have come from the farming/agricultural sector, so, the training for running the new enterprises is necessary to all these types of nonfarm entrepreneurs.

3) It is suggested that the competition level to nonfarm entrepreneurs is very high & sales volume is very low so, to increase the sales volume and profitability in their business they have to learn and implement different skills like, Customer Relationship Management, after sale services, Prompt service & availability of range in different product etc.

1) It is suggested that Nonfarm entrepreneur should try to repayment of loan on time, if they will repay on time then at next time they can take large amount of loan from the special finance corporation & Banks to expand their business.

3.1.2 Suggestions to Government

1) It is suggested that Government should provide loan from different Banks and Financial institution on minimum Interest Rate to the Nonfarm entrepreneurs & provide different subsidies to attract the People toward Nonfarm business enterprises.

2) It is suggested that Government should provide better Communication & Electricity facility to enhance the confidence of Nonfarm entrepreneurs, because that's the major problems of Nonfarm entrepreneurs.

3) It is suggested that special corporation for training & assistance should be given the effective training time to time to Nonfarm entrepreneurs should run the awareness camps about the various government schemes which are run for the Nonfarm entrepreneurs.

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