

General Profile of Micro, Small and Medium Entrepreneurs in Punjab

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ABSTRACT

The Government, on economic and socio-political considerations, has to play an active role in hastening the process of economic development. When people's demand for improving their economic condition becomes too vocal in favour of a particular region, or regions, industrialisation is looked upon as a means to realise their economic ambition. Now, it is a widely accepted fact that the availability of 'entrepreneurship' is the most important determinant in the process of industrialisation. The government in its efforts to create entrepreneurship in underdeveloped regions provides for various monetary and non-monetary incentives like development of infrastructure assistance in marketing and processing raw material, providing finance or granting subsidies on investment, etc. With this thrust in view, the government has created various institutions to cater to the different needs of entrepreneurs. The steps taken by the government are being extensively advertised. These publicity and advertisement efforts attempt to appeal to those who are likely to assume the role of entrepreneurs. The study is based on the information collected from the respondent entrepreneurs only. As every entrepreneur has his own financial decision, it may vary from the decision of other entrepreneurs. Therefore, it is necessary to know about their personal profile. The demographic sketch of the individual entrepreneurs surveyed is based on various attributes, viz. age, education, investment limit, category of industry, type of ownership, nature of unit, etc.

I.INTRODUCTION

Industrialization is indispensable for overall economic growth. It can absorb the oversaturated surplus labour in agriculture and open up additional employment opportunities. Industrial development in Punjab state was carried out in phases. The pace of industrial development has picked up after 1992. Punjab is now well on its way to rapid industrialization through co-ordinate development of small sector and large/medium sector of industries. Punjab occupies a place of pride in the industrial map of India which is attributable to its small-scale industrial sector. The state inherited a very weak industrial base when partitioned in 1947 and suffered further erosion when it was reorganized in 1966. More recently it has been through a period of terrorism and social unrest, which not only affected the industrial growth adversely but tended to cause some out migration of industry also. With the restoration of peace, the state government tried to activate the process of industrial development with the hope to enter into a new era of progress.

II.REVIEW OF LITERATURE

Bansal (1990) in his doctoral thesis, discussed the financial problems of small-scale industries in Punjab. The researcher suggested that financial institutions, commercial banks, and central and state governments should provide a healthy environment required for the growth of small-scale industry in Punjab. **Latawa (2002)** in her doctoral research work, discussed the kind of relationship which has been coming up between large and small sector in the engineering industry. The study found that the growth rate and production of engineering industrial units in the large sector is more as compared to small sector, whereas employment growth rate is higher in small sector than the large sector in Punjab state. **Katoch (2012)** examined the growth and performance of MSMEs in terms of employment, exports, production, and growth in number of units. It was found that the growth of Small and Medium Enterprise sector has surpassed the overall industrial growth and the growth rate of the economy from 2000-01 onwards. The researcher suggested that government should come up with some incentives which can help to develop the MSME sector.

Objectives of the study

This study is an attempt to know the general profile of the entrepreneurs in Punjab with the help of survey which was based on various attributes like age, education, investment limit, type of ownership etc.

Research Methodology

To know the views of the respondents, a questionnaire was prepared and distributed among the entrepreneurs of small-scale industrial units located in Punjab. The study covers the area according to the following distribution:

Region	No. of Respondents
Malwa	100
Majha	100
Doaba	100
Total	300

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Table 1: Age-wise Distribution of Respondents

Age (years)	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Up to 35	29	29.00	21	21.00	32	32.00	82	27.33
36-50	38	38.00	48	48.00	43	43.00	129	43.00
Above 50	33	33.00	31	31.00	25	25.00	89	29.67
Total	100	100.00	100	100.00	100	100.00	300	100.00

Table 1 reveals that the highest proportion of respondents from Doaba region, i.e. 32 per cent belonged to the age group of up to 35 years. However, majority of respondents from Majha region, i.e. 48 per cent represented the age group 36-50 years, whereas as many as 33 per cent of respondents from Malwa region appeared under the category of above 50 years. Overall, 43 per cent of the respondents represented the age category of 36-50 years. As is evident from the table, Majha has the highest percentage of respondents in the age group of 36-50 years.

Table 2: Education-wise Distribution of Respondents

Education	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Matric/10+2	21	21.00	32	32.00	19	19.00	72	24.00
Graduation	52	52.00	47	47.00	47	47.00	146	48.67
Post- graduation	16	16.00	11	11.00	21	21.00	48	16.00
Professional	11	11.00	10	10.00	13	13.00	34	11.33
Total	100	100.00	100	100.00	100	100.00	300	100.00

The table highlights that maximum proportion of the respondents from Majha region, i.e. 32 per cent were Matric/10+2. However, the highest proportion of respondents from Malwa region were under graduates, majority of the respondents, i.e., 21 per cent from Doaba region were post-graduates, while as high as 13 per cent of the respondents from Doaba region were professionals. Overall, as many as 48.67 per cent respondents were graduates. It is clear from the table that Malwa region was having the highest percentage of graduates among all the regions.

Table 3: Industry-wise Distribution of Respondents

Industry	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Automobile Parts	11	11.00	14	14.00	13	13.00	38	12.67
Rice Mills	14	14.00	13	13.00	5	5.00	32	10.67
Iron Pipes	19	19.00	20	20.00	14	14.00	53	17.67
Washing Soap	21	21.00	23	23.00	19	19.00	63	21.00
Food Products	13	13.00	11	11.00	16	16.00	40	13.33
Textile	9	9.00	11	11.00	10	10.00	30	10.00
Cycle Parts	7	7.00	5	5.00	12	12.00	24	8.00
Leather	6	6.00	3	3.00	11	11.00	20	6.67
Total	100	100.00	100	100.00	100	100.00	300	100.00

The table showed that as many as 21 per cent of respondents were having the Washing soap industry followed by iron pipes (19%), rice mills (14%), food products (13 %), automobile parts (11%), textile (9%), cycle parts (7%) and Leather (6%) in Malwa. Majority i.e. 23 per cent of respondents in Majha were having highest percentage in washing soap industry and lowest in Leather i.e. 3 per cent whereas in Doaba highest percentage of respondents i.e. 19 per cent were having the washing soap industry and lowest (5%) were having Rice mills. Overall, respondents were having the washing soap industry. Hence, It was also inferred that majority of the respondents having the washing soap industry were belong to Majha region.

Table 4: Distribution of Respondents according to the Investment in Fixed Assets

Fixed Investment (Rs.)	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Less than 1 cr.	13	13.00	16	16.00	11	11.00	40	13.33
1 to 2 cr.	34	34.00	32	32.00	27	27.00	93	31.00
2 to 3 cr.	19	19.00	22	22.00	24	24.00	65	21.67
3 to 4 cr.	27	27.00	24	24.00	29	29.00	80	26.67
4 to 5 cr.	7	7.00	6	6.00	9	9.00	22	7.33
Total	100	100.00	100	100.00	100	100.00	300	100.00
Average	2.31		2.22		2.48		2.34	
F- ratio				1.37ns				

ns: non-significant

Table 4 revealed that 16 per cent of respondents in Majha invest Less than 1 cr. in fixed assets, as high as 34 per cent respondents invested 1 to 2 cr. in fixed assets in Malwa, the majority i.e. 24 per cent respondents were belonging to the investment level of 2 to 3 cr. in Doaba, as much as 29 per cent of respondents having

investment of 3 to 4 cr. and 9 per cent of respondents invested 4 to 5 cr. in fixed assets in Doaba. Overall, 31 per cent of respondents were invested 1 to 2 cr. in fixed assets. On an average, it is implied that respondents of Doaba are more invested in fixed asset. Hence, there is insignificant impact on respondents of the investment in fixed assets.

Table 5: Distribution of Respondents according to the Form of Ownership of Industry

Form of Ownership	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Proprietary	29	29.00	34	34.00	39	39.00	102	34.00
Partnership	31	31.00	29	29.00	27	27.00	87	29.00
Private Ltd. Co.	40	40.00	37	37.00	34	34.00	111	37.00
Total	100	100.00	100	100.00	100	100.00	300	100.00

Table 5 showed respondents according to the form of ownership of industry. Table highlighted that 39 per cent of respondents have proprietary form of ownership in Doaba that has higher than that of Majha (34%) and Malwa (29%). The majority i.e. 31 per cent of respondents in Malwa have partnership form of ownership among all. As much as 40 per cent of respondents have private limited company in Malwa which has higher in percentage than Majha (37%) and Doaba (34%). Overall, majority of the respondents have private limited company form of ownership. Hence, it has cleared that majority of respondents having this form of organisation in Malwa.

Table 6 :Distribution of Respondents according to the Mode of Acquisition of the Business

Mode of Acquisition	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Started by Owner	69	69.00	57	57.00	72	72.00	198	66.00
Inherited	28	28.00	31	31.00	16	16.00	75	25.00
Outright Purchase	2	2.00	7	7.00	6	6.00	15	5.00
Taken on Lease	1	1.00	5	5.00	6	6.00	12	4.00
Total	100	100.00	100	100.00	100	100.00	300	100.00

Table 6 revealed that the highest proportion i.e. 69 per cent of respondents having the 1st mode of acquisition i.e. started by owner followed by Inherited (28%), Outright Purchase (2%), and Taken on Lease (1%) in Malwa. Majority i.e. 57 per cent of respondents' mode of acquisition was started by owner and the lowest proportion i.e. 5 per cent was taken on lease mode of acquisition in Majha whereas in Doaba, maximum proportion of mode of acquisition of respondents i.e. 72 per cent was Started by owner and the lowest i.e. 6 per cent was Outright Purchase and Taken on Lease. Overall, majority of the respondents' mode of acquisition was started by Owner.

Hence, It was also cleared that majority of the respondents had taken the acquisition by the 'Started by Owner' mode in Doaba region.

Table 7: Distribution of Respondents according to the Location of the Firms

Location	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Semi-Urban	43	43.00	37	37.00	47	47.00	127	42.33
Rural	18	18.00	21	21.00	16	16.00	55	18.33
Industrial Estate	39	39.00	42	42.00	37	37.00	118	39.33
Total	100	100.00	100	100.00	100	100.00	300	100.00

Table 7 depicted that the highest proportion i.e. 43 per cent of responding firms in Malwa were located in semi-urban area rather than other. Majority of responding firms in Majha i.e. 42 per cent were located in Industrial Estate which was followed by Semi-Urban (37%) and Rural (21%). The location of maximum responding firm in Doaba was Semi-Urban i.e. 47 per cent which was followed by Industrial Estate i.e. 37 per cent and Rural i.e. 16 per cent. Overall, the location of the responding firms was Semi-Urban. Hence, it was also cleared from the above table that majority of the responding firms has located in Semi-Urban in Doaba Region.

Table 8: Family Income from Different Sources

(Average Amount in Rupees/Annum)

Source of Income	Malwa		Majha		Doaba		Total	
	Amount	%age	Amount	%age	Amount	%age	Amount	%age
Main Occupation	487127	44.81	352687	41.52	437987	46.52	425934	44.40
Rented Property	56765	5.22	44587	5.25	51564	5.48	50972	5.31
Agriculture	114521	10.53	83658	9.85	59452	6.31	85877	8.95
Shares	37262	3.43	31987	3.77	34981	3.72	34743	3.62
Services	362456	33.34	316987	37.32	334987	35.58	338143	35.25
Other Business	28987	2.67	19481	2.29	22537	2.39	23668	2.47
Total	1087118	100.00	849387	100.00	941508	100.00	959338	100.00

Table 8 showed that the highest proportion of family income was main occupation i.e. 44.81 per cent in Malwa which was followed by Income from Services i.e. 33.64 per cent, income from Agriculture i.e. 10.53 per cent, Income from Rented Property i.e. 5.22%, and then followed by income from Shares and income from Other Business. The majority proportion of family income was also Main occupation in Majha and Doaba. The

maximum proportion of income from main occupation was occurred in Doaba which was followed by Malwa and then Majha i.e. 44.81% and 41.52% respectively. The second highest proportion of family income was Services i.e. 35.25 per cent in totality. The lowest proportion of family income was Other Business i.e. 2.47 per cent in total and highly occurred in Doaba.

Table 9: Average Number of Persons Employed in the Selected Units

(Average No. of Persons)

Type of Labour	Malwa		Majha		Doaba		Total	
	No.	%age	No.	%age	No.	%age	No.	%age
Casual Labour	16	53.33	13	54.17	19	51.35	16	52.75
Labour: Muster Roll	14	46.67	11	45.83	18	48.65	14	47.25
Total Labour	30	100.00	24	100.00	37	100.00	30	100.00

Table 9 showed the average number of persons in a firm, according to this table casual labour was 53.33 per cent which was more than Labour of Muster Roll in Malwa. In Majha, the Proportion of Casual labour was little bit high i.e. 54.17 per cent and the Labour in Muster Roll was 45.83 per cent. The proportion of Casual labour and Labour in Muster Roll was 51.35 per cent and 48.65 per cent in Doaba. Overall, the proportion of Casual labour was higher i.e. 52.75 per cent.

III.CONCLUSION

The industrial economy of Punjab stands out distinctly among other Indian states due to its prime dependence on medium and small-scale industries. Punjab's industrial structure is constituted predominantly by the private sector – a majority of the industrial units are family enterprises. The pattern of industrial development in Punjab before planning presented a strange spectacle consisting mainly of food processing, cotton and woolen textiles and engineering units.

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