

‘Role of Micro, Small Enterprises in Employment Generation in Vidarbha Region’

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Introduction:

MSMEs have been the backbone of Indian Economy for creating employment opportunities. According to ministry of MSME, MSMEs have been employing close to 40 percent workforce and contributing 45percent in manufacturing output of India. MSMEs play important role in generating millions of job opportunities especially at low skill level and at low capital cost. The main objective of Maharashtra State Industrial Policy 2013 is to create more employment opportunities. For achieving the objectives and targets of two million jobs; state adopts appropriate strategies like renew focus on MSMEs, offer additional incentives to employment-incentive mega units, leverage state and central skill development schemes, assist unviable sick units with exit and viable sick units with rehabilitation, consider agro processing as a thrust sector. The research paper analyses the employment generated through micro and small enterprises in Vidarbha region.

Review of Literature:

The interview published in business standard (2013) of Michel Botzung, the principal operations officer of IFC’s India office. He said a recent IFC study of MSME finance in India indicates there are 29.8 million enterprises in various industries, employing 69 million people. The contribution of the sector to India’s GDP has been growing consistently at 11.5 per cent annually, which is higher than the overall GDP growth of 8 per cent.

The interview in Financial Express, Delhi dated 1st may 2009 of Ashima Bhat, head of CGIFG, HDFC expressed that the special thrust given to SMEs sector has been with the multiple objectives of employment generation, promoting entrepreneurship and to promote a more geographic dispersal of industries. The SME sector on the whole is a high contributor for employment generation.

Lubina Zaidi(2013) highlighted the importance of MSMEs sector for employment generation in the paper “Problems affecting the growth of small and Medium Enterprises (SMEs) in India” the nurturing SMEs would have fruitful for employment generation.

“An Overview of SMEs in India and Tamilnadu” a chapter published on Shodhganga.inflibnet.ac.in used a regression model for inferring that the employment potential of SMEs shows a continuously increasing trend in the span of 10 years from 1999-2009.

Dr. Rajput N.,Rajput A. & Batra Geetajali (2012) analyzes the performance of MSMEs in the Indian economy. For bringing out result, data used of 18 years starting from 1992-93 to 2009-10 with employing regression techniques. The study showed that the relationship of MSME and the employment generated by MSME sector which is significant and suggested government should continue to give constant support as this sector has gigantic potential in creating employment opportunities for India.

MSME in Vidarbha:

Vidarbha is situated in eastern region of Maharashtra state divided in to two divisions, Amaravati having five districts and Nagpur having six districts. It has 21.3 percent population, but less economically prosperous compared to rest of Maharashtra. It has two third mineral resources, three quarter of forest resources although lagged behind western Maharashtra in industrial growth.

Objectives of Research Paper:

- 1) To study current scenario of employment generated through MSMEs in Vidarbha region.
- 2) To study relationship between the MSMEs and employment generated in Vidarbha region.

Research Methodology:

This research paper is based on secondary data in souvenir published by the ministry of micro, medium and small enterprises of India. For research study purpose data of growth of SSI/MSMEs Sector and employment generation through the SSI/MSMEs units are collected cumulative since inception up to September 2013. For testing of relation between No. of MSMEs units and Employment generation through MSMEs units Pearson's correlation test is used and t test also used to test the significance of correlation. For analyzing purpose Microsoft Excel 2007 package is used.

Data: Established micro and small enterprises in Vidarbha and employment generated through them are as below-

Table No. 1 Established Micro & Small Enterprises and Employment Generated

Micro enterprises	Employment through micro enterprise	Small enterprises	Employment through small enterprises
1207	11237	114	1369
1733	10196	150	1674
1328	10267	128	1005
1374	10005	283	3682
2269	14215	176	3044
826	2685	357	4564
468	2883	114	575
736	2168	182	2859
752	3780	94	1293
1526	8008	165	3634
6910	41691	3815	76575

After deleting the extreme value for micro enterprises, descriptor are showed in table

Table No. 2 Data Descriptor for Micro Enterprises

<i>Micro enterprises</i>		<i>Employment through micro enterprise</i>	
Mean	1221.9	Mean	7544.4
Standard Error	172.1349245	Standard Error	1363.264107
Median	1267.5	Median	9006.5
Standard Deviation	544.3384262	Standard Deviation	4311.019632
Sample Variance	296304.3222	Sample Variance	18584890.27
Kurtosis	-0.034456998	Kurtosis	-1.575981292
Skewness	0.521303739	Skewness	-0.041247927

Table no 2 showed that mean of established micro enterprises in Vidarbha is 1222 approximately and mean of employment through micro enterprises is 7544.

Table No. 3 Data Descriptor for Small Enterprises

<i>Small enterprises</i>		<i>Employment through small enterprises</i>	
Mean	176.3	Mean	2369.9
Standard Error	26.19544	Standard Error	428.9220196
Median	157.5	Median	2266.5
Standard Deviation	82.83726	Standard Deviation	1356.370521
Sample Variance	6862.011	Sample Variance	1839740.989
Kurtosis	1.583194	Kurtosis	-1.412430891
Skewness	1.451828	Skewness	0.24216238

Table no 3 showed that mean of established small enterprises in Vidarbh is 176 and mean of employment through micro enterprises is 2370 approximately which is quite less than from micro enterprises.

Null Hypothesis and alternative hypothesis

1) H_0 : There is no relation between No. of MSMEs and employment generation.

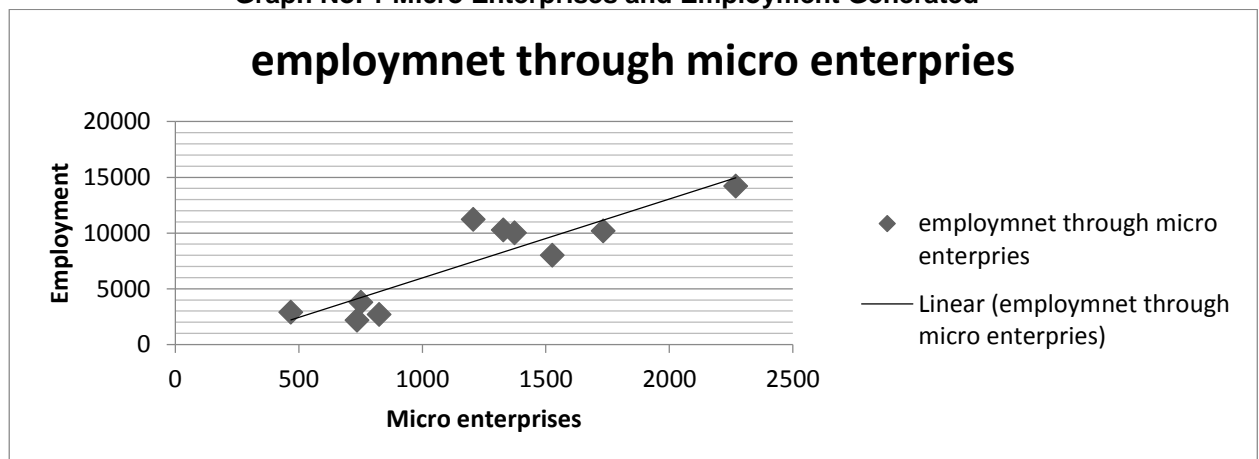
H_1 : There is relation between No. of MSMEs and employment generation.

Table No. 4 Correlation

		Micro enterprises	Employment through micro enterprises
Micro enterprises Correlation	Pearson	1	0.895
Employment through micro enterprises Correlation	Pearson	0.895	1

The r-value in table no. 4 shows that correlation between Micro enterprises and employment generation through Micro enterprises is high degree positive.

Graph No. 1 Micro Enterprises and Employment Generated



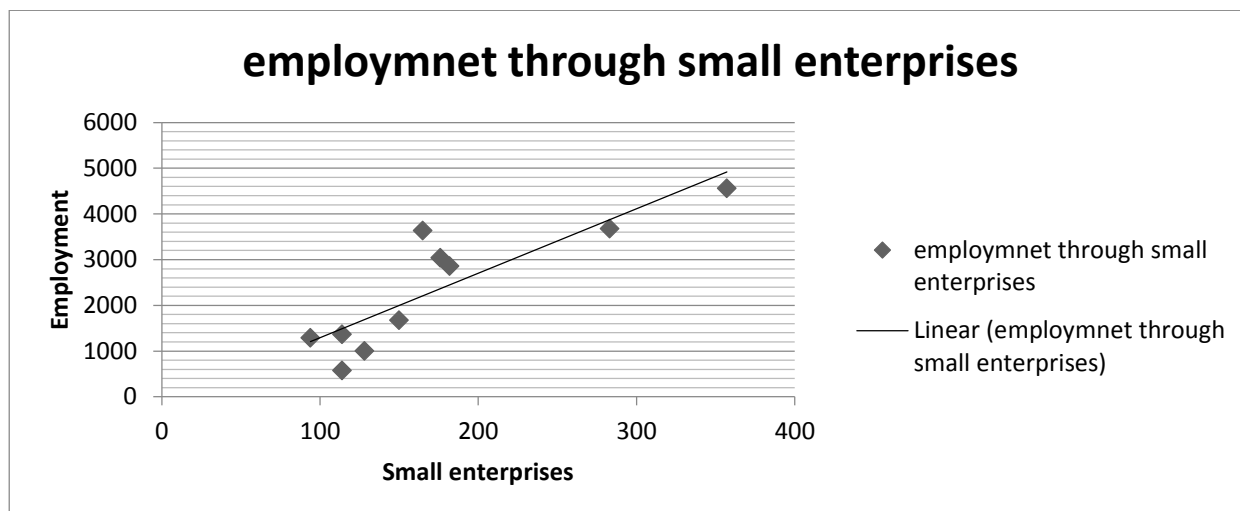
In the above graph relationship between established micro enterprises and employment through micro enterprises.

Table No. 5 Correlation

		Small enterprises	Employment through Small enterprises
Small enterprises	Pearson Correlation	1	0.862
Employment through Small enterprises	Pearson Correlation	0.862**	1

The r-value in table no. 5 shows that correlation between small enterprises and employment generation through small enterprises is high degree positive.

Graph No.2 Small Enterprises and Employment Generated



In the above graph relationship between established small enterprises and employment through small enterprises. Employment through small enterprises is not deviated from linear employment.

2) $H_0: p=0$ i.e. no significant correlation exists between established micro and small enterprises and employment through micro and small enterprises.

$H_1: p>0$ i. e. correlation exists between established micro and small enterprises and employment through micro and small enterprises greater than 0.

For testing significance of correlation, t-test applied. The results of t-test are as follows-

Table No.6 Result of t-test

	Micro Enterprises	Small Enterprises
t calculated	5.684349997	4.812694513
t critical	1.859548033	1.859548033
Df	8	8
N	10	10

In the above table No.6 t calculated value for both enterprises (5.68, 4.81) is greater than t critical value (1.859548033) at 8 degree of freedom. Hence null hypothesis is rejected alternative hypothesis is accepted.

Conclusion:

Although the Vidarbha region is lagged in industrial growth, but micro and small enterprises are establishing in this region. There is high degree positive correlation found between establishment micro and small enterprises and employment generated.

Micro and small enterprises help in employment generation and utilization of locally available natural and human resources in Vidarbha .

Established micro and small enterprises in Vidarbha have variation .The direction of relation between employment generated micro and a small enterprise is very strong, positive and linear. If micro and small enterprises increase, employment also increases.

References:

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