



ROLE OF SMALL BUSINESS IN SOUTHERN MAHARASHTRA

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Abstract

In this paper researcher has to accessed the role of small business in southern Maharashtra. Hence researcher has set objectives as to know the business profile of the Southern Maharashtra and tried to assess the role of small business in Southern Maharashtra. Therefore, researcher presented this paper as considering objectives of the study, Hypotheses, research methodology, scope of the Study, and data analysis and interpretation. Finally, researcher has concluded this paper as role of small business with reference to Southern Maharashtra.

Key Word: Small Business, Business opportunities, MSMEs, Rural Entrepreneurship etc.

Introduction:

Business is either an occupation, profession, or trade, or is a commercial activity which involves providing goods or services in exchange for profits. Profits in business are not necessarily money. It can be a benefit in any form which is acknowledged by a business entity involved in a business activity. Moreover, Small businesses are either services or retail operations like grocery stores, medical stores, tradespeople, bakeries and small manufacturing units. Small businesses are independently owned organizations that require less capital and less workforce and less or no machinery. Hence, it is noted that small business plays an important role in rural regional economic development. Second largest employment provider: After agriculture, these industries are the second largest provider of employment in India. As compared to large industries, they generate a greater number of employments opportunities per unit of capital invested. Hence, these industries are a boon for an overpopulated country like India.

The present study is confined with special reference to Southern Maharashtra including Kolhapur, Sangli, Satara and Sindhudurg districts. Its main is know the business profile of the Southern Maharashtra and assess the role of small business in Southern Maharashtra. In selected study areas it is found that the ***Small business play an Significant role in southern Maharashtra***. It means small business create the business opportunities for rural people in micro enterprises, problems and prospects in employment creation and economic development in selected study area.

Objectives:

1. To know the business profile of the Southern Maharashtra.
2. To assess the role of small business in Southern Maharashtra.

Hypothesis of the Study:

It is stated that the ***“Small business play a significant role in southern Maharashtra”***

Scope of the Study:

The present study is confined with special reference to Southern Maharashtra including Kolhapur, Sangli, Satara and Sindhudurg districts. The analysis and interpretation are based

on primary and secondary data which is collected from different sources. The present study accessed the role of small business in Southern Maharashtra as well as explored the business opportunities for rural people in micro enterprises, problems and prospects in employment creation and economic development.

Research Methodology:

The present research paper entitled “Role of Small business in Southern Maharashtra”, based on the empirical data and tried to assessed the role with consideration of business opportunities for rural people in micro enterprises, problems and prospects in employment generation and regional rural economic development. Hence, researcher has selected 377 sample respondents from Kolhapur, Sangli, Satara and Sindhudurg districts. Therefore, researcher has used stratified random sampling methods for the selection of the sample respondents. Furthermore, researcher has collected primary data and its analysed with uses of appropriate statistical tools and techniques and drawn the results.

Key Concept of Research:

It is understood that the small businesses are either services or retail operations like grocery stores, medical stores, tradespeople, bakeries and small manufacturing units. Small businesses are independently owned organisations that require less capital and less workforce and less or no machinery. It is defined as “Small Business is the one that operates on a limited scale that requires less funding, fewer workers, and as there is less machinery to run. These are businesses that are not dominant in the market”.

Profile of the Southern Maharashtra:

Maharashtra state is alienated into six revenue divisions, which are further divided into 36 districts. These districts are further divided into 109 subdivisions of the districts and 357 Talukas. The south Maharashtra section was organized in 2004. This section has been recognized as the southern part of the state of Maharashtra since 2011. Therefore, it seems that the Kolhapur, Raigarh, Ratnagiri, Sangli, Satara, and Sindhudurg is part of south Maharashtra territory. The Maharashtra state occupies a substantial portion of the Deccan plateau in the western peninsular part of the subcontinent. The various parts of southern Maharashtra show a large amount of agriculture and non-farm potential. The districts involved in this section reflect the immense potential of agro-based and forest-based micro, small and cottage industries in Kolhapur, Sangli and Sindhudurg districts.

The ministry of MSME is passed the development act in 2006 for the agreement with the micro, small, and medium enterprises development. As per the Act, MSMEs enterprises are involved in the processing, producing, and preserving goods and commodities in the rural-urban area. These enterprises are considered the pillars of the Indian economy due to their considerable contribution to GDP Export and employment generation. The state has been noticed around 47.78 lakh MSMEs, out of which 47.60 lakh are micro-enterprises, and 17,000 are small industries. The overall micro, small and medium enterprises enormously contribute to south Maharashtra's export, employment, investment, and production capacity. The chart of south Maharashtra is described below.¹

Map 1 Sample Study Areas:



(Sources: Field Work)

Table 1 Present Status of MSMEs in Southern Maharashtra

| Sr. | Types of Enterprises | No. of Enterprises | | | |
|-----|----------------------|--------------------|--------|--------|------------|
| | | Kolhapur | Sangli | Satara | Sindhudurg |
| 1 | Micro | 16225 | 4035 | 1114 | 3229 |
| 2 | Small | 5378 | 1060 | 2049 | 2459 |
| 3 | Medium | 17 | 04 | 14 | 05 |

(Source: Government of India Ministry of MSME Annual Report-2011-12)

As is evident from table 1 reveals the present status of MSMEs in south Maharashtra. The study has been classified micro, small and medium enterprises of the southern part of Maharashtra. The data shows total micro-enterprises are reported 1114 Satara, 4035 Sangli, 16225 Kolhapur and 3229 Sindhudurg districts. The status of small industries is found in 2049, 1060, 5378 and 2459, respectively Satara, Sangli, and Kolhapur, Sindhudurg districts. Medium enterprises are observed in Satara 14, Sangli 04 Kolhapur 17 and Sindhudurg 05. It shows the different manufacturing and service-based micro, small and medium industries are given investment and employment contributions in rural-urban south Maharashtra. ²

Analysis and Interpretation of Data:

It is stated that the for the data analysis and interpretation of 4 tables and required attributes and its measures with scale, multiple choice and dichotomous type questions on the basis of collected data from selected respondents in Southern Maharashtra purposively selected from Kolhapur, Sangli, Satara and Sindhudurg districts. Therefore, on the basis of collected data qualitative and quantitative analysis for the drawn results are made

Table 2 Demographic Profile

| Sr. | Particular | Kolhapur District | | Sangli District | | Satara District | | Sindhudurg District | |
|-----|------------|-------------------|-----|-----------------|-----|-----------------|-----|---------------------|-----|
| | | N | % | N | % | N | % | N | % |
| A | Age | | | | | | | | |
| 1 | 18-30 | 30 | 12 | 05 | 07 | 00 | 00 | 00 | 00 |
| 2 | 31-40 | 75 | 28 | 17 | 24 | 08 | 35 | 05 | 29 |
| 3 | 41-50 | 125 | 47 | 35 | 49 | 11 | 48 | 10 | 59 |
| 4 | 51-60 | 25 | 09 | 07 | 10 | 04 | 17 | 00 | 00 |
| 5 | Above 61 | 12 | 04 | 07 | 10 | 00 | 00 | 02 | 12 |
| 6 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| B | Gender | | | | | | | | |
| 1 | Male | 205 | 77 | 59 | 83 | 19 | 83 | 16 | 94 |
| 2 | Female | 61 | 23 | 12 | 17 | 4 | 17 | 01 | 06 |
| 6 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |

| | | | | | | | | | |
|---|--------------------------------|-----|-----|----|-----|----|-----|----|-----|
| C | Education | | | | | | | | |
| 1 | Married | 198 | 74 | 55 | 77 | 17 | 74 | 11 | 65 |
| 2 | Unmarried | 49 | 18 | 14 | 20 | 06 | 26 | 04 | 24 |
| 3 | Divorced | 13 | 05 | 00 | 00 | 00 | 00 | 01 | 06 |
| 4 | Widow | 06 | 03 | 02 | 03 | 00 | 00 | 01 | 06 |
| 5 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| D | Education | | | | | | | | |
| 1 | Up to SSC | 107 | 40 | 22 | 31 | 5 | 22 | 05 | 29 |
| 2 | HSC | 83 | 31 | 25 | 35 | 10 | 43 | 07 | 41 |
| 3 | Graduate | 17 | 06 | 06 | 08 | 03 | 13 | 03 | 18 |
| 4 | Diploma Course | 32 | 12 | 10 | 14 | 3 | 13 | 01 | 06 |
| 5 | PG | 15 | 06 | 03 | 04 | 01 | 04 | 01 | 06 |
| 6 | Professional | 07 | 03 | 01 | 01 | 01 | 04 | 00 | 00 |
| 7 | Any other | 05 | 02 | 04 | 06 | 00 | 00 | 0 | 00 |
| 8 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| D | Cast | | | | | | | | |
| 1 | Open | 118 | 44 | 37 | 52 | 17 | 74 | 13 | 76 |
| 2 | OBC | 57 | 21 | 11 | 15 | 4 | 17 | 3 | 18 |
| 3 | SC/ST/SBC | 70 | 26 | 15 | 21 | 00 | 00 | 00 | 00 |
| 4 | NT/ VJNT | 12 | 04 | 05 | 07 | 01 | 04 | 01 | 06 |
| 5 | Others | 09 | 04 | 03 | 04 | 01 | 04 | 00 | 00 |
| 6 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| E | Occupation of the Parents | | | | | | | | |
| 1 | Agro/ Farm | 46 | 17 | 24 | 34 | 11 | 48 | 08 | 47 |
| 2 | Agro Processing / Non- Farm | 84 | 32 | 23 | 32 | 8 | 35 | 04 | 23 |
| 3 | Forest Based | 06 | 02 | 00 | 00 | 00 | 00 | 02 | 12 |
| 4 | Handicraft | 25 | 9 | 04 | 06 | 01 | 04 | 01 | 06 |
| 5 | Manufacturing | 73 | 27 | 12 | 17 | 00 | 00 | 00 | 00 |
| 6 | Trading | 08 | 03 | 02 | 03 | 00 | 00 | 00 | 00 |
| 7 | Service | 12 | 05 | 06 | 08 | 01 | 04 | 01 | 06 |
| 8 | Other | 12 | 05 | 00 | 00 | 02 | 09 | 01 | 06 |
| 9 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| F | Average Annual Income (in Rs.) | | | | | | | | |
| 1 | Up to Rs.100000 | 115 | 43 | 22 | 31 | 12 | 52 | 07 | 42 |
| 2 | Rs.100001- Rs.200000 | 51 | 19 | 10 | 14 | 03 | 13 | 03 | 18 |
| 3 | Rs.200001- Rs.300000 | 37 | 14 | 11 | 16 | 02 | 09 | 01 | 06 |
| 4 | Rs.300001- Rs.400000 | 26 | 10 | 08 | 11 | 01 | 04 | 01 | 06 |
| 5 | Rs.400001- Rs.500000 | 24 | 09 | 12 | 17 | 03 | 13 | 03 | 18 |
| 6 | Above Rs.500001 | 13 | 05 | 08 | 11 | 02 | 09 | 02 | 12 |
| G | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |

(Sources: Field Work, Note: N = Number of Respondents)

From the table 1 shows the demographics profile of the selected study areas. The demographic profile is a key part of your small business growth and development, as they help to identify the rural entrepreneurship by certain characteristics, wants and needs. Demographic data is used by businesses to help them understand the characteristics of the rural entrepreneur, who are produce their products and services.

Table 3: Organizational Profile:

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| Sr. | Particular | Kolhapur District | | Sangli District | | Satara District | | Sindhudurg District | |
|-----|-------------------------------|-------------------|-----|-----------------|-----|-----------------|-----|---------------------|-----|
| | | N | % | N | % | N | % | N | % |
| A | Nature of Business | | | | | | | | |
| 1 | Agriculture/ Farming | 05 | 02 | 02 | 03 | 00 | 00 | 00 | 00 |
| 2 | Agro Based/Agro Processing | 109 | 41 | 32 | 45 | 15 | 65 | 09 | 53 |
| 3 | Forest Based | 13 | 05 | 00 | 00 | 00 | 00 | 03 | 17 |
| 4 | Handicraft | 22 | 08 | 00 | 0 | 00 | 00 | 01 | 06 |
| 5 | Manufacturing | 85 | 32 | 18 | 25 | 03 | 13 | 03 | 18 |
| 6 | Trading | 08 | 03 | 00 | 00 | 00 | 00 | 00 | 00 |
| 7 | Service | 16 | 06 | 14 | 20 | 003 | 13 | 01 | 06 |
| 8 | Other | 08 | 03 | 05 | 07 | 02 | 09 | 00 | 00 |
| 9 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| B | Nature of Products | | | | | | | | |
| 1 | Main Products | 192 | 72 | 52 | 73 | 17 | 74 | 12 | 70 |
| 2 | Sub/By Products | 42 | 16 | 11 | 16 | 04 | 18 | 03 | 18 |
| 3 | Ancillary Product | 21 | 08 | 05 | 07 | 01 | 04 | 01 | 06 |
| 4 | Other | 11 | 04 | 03 | 04 | 01 | 04 | 01 | 06 |
| 5 | Total | 267 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| C | Nature of Organization | | | | | | | | |
| 1 | Sole Proprietor | 158 | 59 | 47 | 66 | 19 | 83 | 13 | 76 |
| 2 | Joint Family | 87 | 33 | 19 | 27 | 04 | 17 | 02 | 12 |
| 3 | Partnership | 08 | 03 | 03 | 04 | 00 | 00 | 01 | 06 |
| 4 | Company | 08 | 03 | 02 | 03 | 00 | 00 | 01 | 06 |
| 5 | Other | 05 | 02 | 00 | 00 | 00 | 00 | 00 | 00 |
| 6 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| D | Capital Investment | | | | | | | | |
| 1 | Up to Rs.500000 | 36 | 13 | 06 | 08 | 02 | 09 | 01 | 06 |
| 2 | Rs. 500001- Rs. 1000000 | 39 | 15 | 10 | 14 | 03 | 13 | 03 | 18 |
| 3 | Rs.1000001- Rs.1500000 | 37 | 14 | 11 | 16 | 02 | 9 | 01 | 06 |
| 4 | Rs. 1500001- Rs.2000000 | 26 | 10 | 06 | 08 | 01 | 4 | 01 | 06 |
| 5 | Rs. 2000001- Rs.2500000 | 128 | 48 | 38 | 54 | 15 | 65 | 11 | 64 |
| 6 | Above Rs. 2500001 | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| 7 | Total | 266 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| E | Annual Turnover | | | | | | | | |
| 1 | Up to Rs.500000 | 13 | 05 | 03 | 04 | 02 | 09 | 01 | 06 |
| 2 | Rs. 500001- Rs. 1000000 | 33 | 12 | 05 | 07 | 01 | 04 | 01 | 06 |
| 3 | Rs.1000001- Rs.1500000 | 41 | 16 | 09 | 13 | 02 | 09 | 02 | 12 |
| 4 | Rs. 1500001- Rs.2000000 | 50 | 19 | 16 | 23 | 03 | 13 | 02 | 12 |
| 5 | Rs. 2000001- Rs.2500000 | 59 | 22 | 15 | 21 | 06 | 26 | 04 | 24 |
| 6 | Above Rs. 2500001 | 70 | 26 | 23 | 32 | 09 | 39 | 07 | 41 |
| 7 | Total | 267 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |
| F | Location of Micro Enterprise: | | | | | | | | |
| 1 | Rural | 153 | 58 | 47 | 66 | 16 | 70 | 11 | 65 |
| 2 | Nearby Urban | 85 | 32 | 20 | 28 | 07 | 30 | 06 | 35 |
| 3 | Urban | 00 | 00 | 00 | 00 | 00 | 00 | 00 | 00 |
| 4 | Living/ Residual Area | 17 | 06 | 04 | 06 | 00 | 00 | 00 | 00 |
| 5 | Other | 11 | 04 | 00 | 00 | 00 | 00 | 00 | 00 |
| 6 | Total | 267 | 100 | 71 | 100 | 23 | 100 | 17 | 100 |

(Sources: Field Work, Note: N = Number of Respondents)

Table 2 shows the organisational factors, It helps to understand the how to organisational factors are significantly affected on the growth and development of rural regional

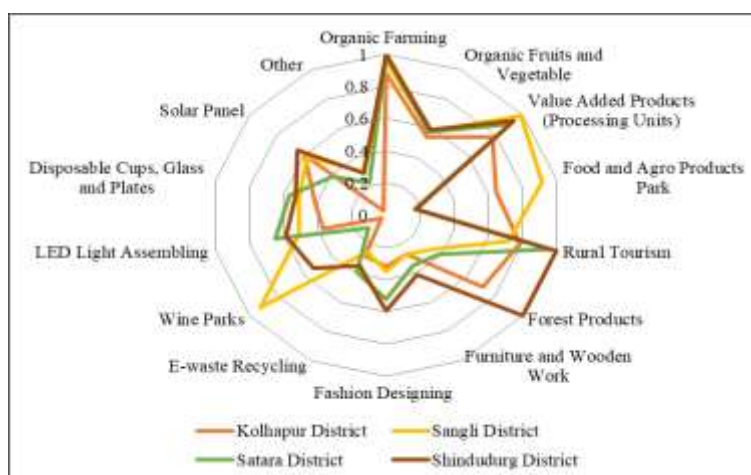
entrepreneurship with reference Southern Maharashtra. It is understood that the orgnistical factors shows the performance of small business with reference to Southern Maharashtra. It is also noted that selected study areas have plentiful business opportunities as well as selected business are playing a significant role creating regional rural entrepreneurship development with reference southern Maharashtra.

Table 4: Role of Small Business in Southern Maharashtra:

| Sr. | Particular | Kolhapur District | | | Sangli District | | | Satara District | | | Sindhudurg District | | |
|-----|-----------------------------------------|-------------------|-------|------|-----------------|-------|------|-----------------|--------|------|---------------------|-------|------|
| | | N | P | PV | N | P | PV | N | P | PV | N | P | PV |
| 1 | Organic Farming | 234 | 87.64 | 0.88 | 68 | 95.77 | 0.96 | 23 | 100.00 | 1.00 | 17 | 100 | 1.00 |
| 2 | Organic Fruits and Vegetable | 143 | 53.56 | 0.54 | 41 | 57.75 | 0.58 | 13 | 56.52 | 0.57 | 10 | 58.82 | 0.59 |
| 3 | Value Added Products (Processing Units) | 209 | 78.28 | 0.78 | 70 | 98.59 | 0.99 | 21 | 91.30 | 0.91 | 16 | 94.12 | 0.94 |
| 4 | Food and Agro Products Park | 173 | 64.79 | 0.65 | 65 | 91.55 | 0.92 | 4 | 17.39 | 0.17 | 3 | 17.65 | 0.18 |
| 5 | Rural Tourism | 210 | 78.65 | 0.79 | 51 | 71.83 | 0.72 | 22 | 95.65 | 0.96 | 17 | 100 | 1.00 |
| 6 | Forest Products | 189 | 70.79 | 0.71 | 24 | 33.80 | 0.34 | 9 | 39.13 | 0.39 | 17 | 100 | 1.00 |
| 7 | Furniture and Wooden Work | 72 | 26.97 | 0.27 | 19 | 26.76 | 0.27 | 8 | 34.78 | 0.35 | 7 | 41.18 | 0.41 |
| 8 | Fashion Designing | 86 | 32.21 | 0.32 | 25 | 35.21 | 0.35 | 12 | 52.17 | 0.52 | 10 | 58.82 | 0.59 |
| 9 | E-waste Recycling | 75 | 28.09 | 0.28 | 18 | 25.35 | 0.25 | 9 | 39.13 | 0.39 | 6 | 35.29 | 0.35 |
| 10 | Wine Parks | 9 | 3.37 | 0.03 | 65 | 91.55 | 0.92 | 3 | 13.04 | 0.13 | 9 | 52.94 | 0.53 |
| 11 | LED Light Assembling | 98 | 36.70 | 0.37 | 36 | 50.70 | 0.51 | 15 | 65.22 | 0.65 | 10 | 58.82 | 0.59 |
| 12 | Disposable Cups, Glass and Plates | 112 | 41.95 | 0.42 | 36 | 50.70 | 0.51 | 13 | 56.52 | 0.57 | 9 | 52.94 | 0.53 |
| 13 | Solar Panel | 161 | 60.30 | 0.60 | 41 | 57.75 | 0.58 | 9 | 39.13 | 0.39 | 11 | 64.71 | 0.65 |
| 14 | Other | 8 | 3.00 | 0.03 | 21 | 29.58 | 0.30 | 5 | 21.74 | 0.22 | 5 | 29.41 | 0.29 |

(Sources: Field Work, N = Number of Respondents, P= Proportion PV= Percentile Value)

Radar Chart 1: Role of Small Business in Southern Maharashtra



(Sources: Field Work, N = Number of Respondents, P= Proportion PV= Percentile Value)

Table No. 4 and Radar Chart No. 1 shows the types of business opportunities in selected study area. It is noted that the radar charts are used to comparative more opportunities in enlisted business. It is stated that presently selected study areas have several business opportunities organic farming, organic fruits and vegetable, value added products (processing units) food and agro-products park, rural tourism, forest products, furniture and wooden work, fashion designing, e-waste recycling, wine parks, led light assembling, disposable cups, glass and plates, solar panel etc. Therefore, on the basis of proportionate values and its percentile values, it is noticed that most business opportunities in selected districts are value

added products (Processing Units), organic farming, organic fruits and vegetable, rural tourism etc.,

It is interpreted that, selected micro enterprises are play an important role in the study areas. It is stated that business opportunities are difficult to define because the term means different things to different people. It assesses consideration of idea generation, differentiation, market analysis, market share, cost analysis etc., It is also state that successful entrepreneurs, we need to be continually innovating and looking for opportunities to grow our startups. It is also noted that the entrepreneurs tried to find new business opportunities with consideration of significance of market demand, market structure and size and significance margin and resources

Conclusion and Discussion:

It is concluded that in order to discover business opportunities need to research many aspects of the new concept as well as opportunity screening is the process by which entrepreneurs evaluate innovative product ideas, strategies, and marketing trends and it may focus on the viability of financial resources, the skills of the entrepreneurs, and the competition, this screening helps determine the potential for success in pursuing the idea and can help refine planning. There's no doubt that selected study area as Kolhapur, Sangli, Satara and Sindhudurg districts have rural potential for micro enterprises. However, it is stated that several business environmental factors are significantly affect the exploring the business opportunities in selected study areas. Because of their different geographical significance of selected Southern Maharashtra and specifically selected districts. However, it is suggested that the selected study areas have several business opportunities like agriculture farm, vermicompost organic fertilizer production, fertilizer distribution business, poultry farming, bee keeping business, fish farming, basket weaving, dried flower business, dairy farming, fruits and vegetable farming etc., beside this opportunity for career guidance consultancy, bamboo crafts business, furniture-based business, doll making etc., But also choosing a business is totally a personal decision. Entrepreneurs may find a lot of other possibilities, but coming up with some micro business ideas that yield higher profits is little tricky. Such type business can choose entrepreneurs' passion from the above list and turn their dream into reality. Hence, it is stated that small business plays a significant role in southern Maharashtra in term of employment as well as business opportunities and regional rural entrepreneurship development.

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