SUMMARY OF THE FINDINGS OF MINOR RESEARCH PROJECT (MRP)

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Title- Role of Micro Enterprises (MEs) in Assam with special reference to Kamrup (Rural) district: A Study

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The Micro and Small Enterprises (MSEs) is one of the fastest growing sectors all over the world and has been showing outstanding performance over many decades as a highly vibrant and dynamic sector in Indian Economy. It plays an important role in the economic development of both developed and underdeveloped nations in the world. In underdeveloped countries Micro and Small Enterprises (MSEs) are especially important in context of employment generation, equitable distribution of income, balanced regional development of rural and semi urban areas. They provide immediate large-scale employment and facilitate effective mobilization of resources of capital and skill which might otherwise remain unutilized. This is considered to be an engine of growth, especially in a developing country like India due to their contribution to income generation, employment, Gross Domestic Product (GDP), export earnings and also help in industrialization of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. It also emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. Micro and Small Enterprises not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also MSEs are complementary to large industries as ancillary units and this sector contributes enormously to the socioeconomic development of the country (MSMEs 2013-14).

India is predominantly an agriculture based economy where 70 per cent of the rural working population is engaged in this profession. The importance of micro enterprises in generating employment and income to rural households did not receive adequate attention due to excessive focus on the growth of formal sectors relegating the informal sector to the background. In the seventies, economists and policy makers started looking for permanent

solution of the problems associated with the rural areas. As a result, development of rural micro enterprises received the attention of policy makers as an alternative strategy for rural development. The growing demographic pressure on land has over the years resulted in sub division and fragmentation of land among rural households which in turn has led to increased landlessness and marginalization of farmers. So far as employment elasticity is concerned, it has also been declining in a large surplus of labour in rural areas (Papola 1982). During 1977-78 and 1999-2000, the share of employment in agriculture sector declined from 73.9 per cent to 60.2 per cent. The share of agriculture sector's contribution to National Income has come down from 30 per cent in 1990-91 to 13.9 per cent in 2011-2012. There are two important reasons- First, no specific programmes were formulated to improve the technology or extension services among the farm community. Second, the neglect of agriculture is that the policy makers have always been entirely devoted to achievement of Gross Domestic Product (GDP) (State of Indian Agriculture, 2011-12). The small scale and cottage industrial sector have found their economic rationale in Mahalanobis model of economic development, which was the basis for India's second and subsequent Five Year Plans. This sector has emerged as a vibrant and dynamic sector of Indian economy, which contributes nearly 40 percent of the total industrial production and over 34 percent of the national exports by providing employment to over 250 lakh persons. This sector provide second largest employer in the country and offers a wide variety of products.

In Assam, the sectoral contribution of agriculture sector to the Gross State Domestic Product (GSDP) was nearly 25.6 per cent in both at current and constant (2004-05) prices. The share of industrial sector was 27.5 per cent and Services sector was 46.9 per cent to GSDP in the same period. It is evident that over the years the share of agriculture and allied sector in the GSDP has been gradually declining from 25.6 percent in 2004-05 to 22.4 percent in 2011-12. The State Economy has witnessed a change over the periods and the primary sector has witnessed a shift to industrial and service sector resulting to flourish very rapidly in the State's economy (Economic Survey, 2012-13, Govt. of Assam). A study conducted by Indian Institute of Entrepreneurship (IIE) on Small Scale Industries (SSIs) of the North Eastern Region (NER), found that there were more than 71,395 SSI units in the North Eastern Region as on March, 2003, which has only 2 per cent of the total SSI units in the country. The study found that the SSI units faced problems in four areas, project identification, project implementation, production operation and marketing. The study also identified specific problems in four areas and identified gaps in the support structure (promotional and supporting organization). Considering these aspects, the KVIC/DIC has

attempts to provide adequate support in areas like project identification and formulation, its implementation through Rural Industries Consultancy Service Center (RICSC), production operation through supply of inputs and also providing organized sales and marketing for the articles produced by micro enterprises.

There are three basic needs for development of Micro and Small Enterprises (MSEs) in the economy of Assam: *First*, to generate large scale employment, *second*, to sustain economic growth and increase exports and *third*, micro enterprises are expected to make growth inclusive as it touches upon the lives of women, children, minorities, SCs, and STs in the villages in urban slums and in the deprived pockets of flourishing towns and cities. It also seeks to empower people to break vicious circle of poverty and deprivation (XIth Five Year Plan 2007-12)

This sector plays a pivotal role in the overall industrial economy of the country. In recent years, the Micro, Small and Medium Enterprises (MSMEs) has consistently registered higher growth rate as compared to overall industrial sector. It employs 59.7 million persons spread over 26.1 million enterprises, shares 45 per cent of manufacturing output, 95 per cent of industrial units, 40 per cent of the total exports of the country and 8 per cent of the countries of Gross Domestic Product (4th Census of MSME sector). More important, in the age of inclusion centric growth mantra, the MSMEs generate large employment and can promote balanced regional development along with a more equitable distribution of wealth.

During 2008-09, there were around 1467 (89.95 per cent) numbers of entrepreneurs memorandum issued to micro, 153 (9.39 per cent) to small and 11 (0.66 per cent) to medium enterprises out of a total of 1631enterprises in Assam. There is a wide disparity regarding the number of entrepreneurs memorandum issued to MSMEs. The value of production for small enterprises in 2008-09 is more than twice than the value of production of micro enterprises in Assam. Conversely, its production value for medium enterprises is estimated at Rs. 1397.27 lakh against Rs. 12293.33 lakh estimated at micro enterprises and Rs. 35386.5 lakh in small enterprises. If employment generation and investment pattern is concerned, micro enterprises provide highest employment opportunities and small enterprises show highest investment per month as compared to micro and medium enterprises. The number of entrepreneur memorandum issued to micro enterprises is also highest as compared to small and medium enterprises. The medium enterprises in Assam are lagging behind than MSEs in regard to the parameters like number of units, production, employment and investment in the State.

Directorate of Industries and Commerce, Assam (2007) reveals the growing importance of Micro and Small Enterprises (MSEs) district wise except Kamrup (Metro), Udalguri, Baksha and Chirang with respect to the growth of MSE units, growth of fixed investment, growth of employment and growth of output. The Kamrup district is at top with respect to all the parameters like growth of MSEs (28.2 per cent), growth of fixed investment (36.3 per cent), growth of employment (43.7 per cent) and growth of output (79.7 per cent) among various districts. Thus this sector has been playing a crucial role in Kamrup district.

Therefore, the present study attempts to focus the role of micro enterprises of Assam in general and Kamrup (Rural) district of Assam in particular. Though a broad description of the subject encompasses the entire state of Assam, more intensive analysis has been made with special reference to Kamrup (Rural) district in the State. As the economics of the MEs has not been adequately investigated into, very little is known about its size, nature, problems and institutional supports with reference to the Kamrup (Rural) district.

Objectives

The specific objectives of the present study are stated below.

1. To highlight the present scenario of Micro and Small Enterprises (MSEs) of Assam.
2. To make a projection of output, employment and investment of MSEs for 2020.
3. To investigate the economic contribution of Micro Enterprises in the study area.
4. To evaluate the pattern of financing, marketing, raw materials and training to enterprises.
5. To examine the various problems of Micro Enterprises and
6. To suggest policy measures for effective working of Micro Enterprises.

Research Questions

1. What is the growth rate of output, employment and investment of MSEs in Assam?
2. What is future prospect of MSEs of Assam in macro level?
3. What is the overall contribution of MSEs in income, employment, profit and investment?

Methodology

Data Source

The study requires both primary and secondary sources of data. The secondary data has been collected from various secondary sources such as Directorate of Industries and Commerce, Assam, NEDFi databank quarterly on MSMEs, District Industries Centre (DIC), Economic Survey of Assam (2012-13), Statistical Hand Book, Reports of various MSMEs related studies and host of web sites.

But the core of the study is based on the primary data and accordingly a field survey has been conducted to collect primary data from the micro enterprises in the district with the help of pre tested structured questionnaires. The field study is made with the objectives of knowing the role of micro enterprises and their problems at grass root level in regard to income, investment, production, sales, profits, employment, training, etc. While making the field survey, only those micro industrial units are selected which are running actively. The sick and shut down units are excluded from the purview of the study.

Study Area

For the purpose of investigation, the Assam has been chosen as the study area. The reason is that about 86 per cent of the total population of the state lives in rural area according to 2011 census and Assam is the only state in the entire North Eastern Region (NER) where more than fifty per cent of total units, employment, output and investment are contributed. Kamrup (Rural) district is selected, as the district having the highest number of registered micro enterprises, major share in Gross Value Added, provided highest employment opportunities, and also it is the district where most of the programmes of Government have been implemented.

Sample Design

To select the ultimate sample units from the universe, stratified random sampling techniques has been adopted. First industries or Enterprises (As per the definition of micro enterprises by MSMED Act 2006, Investment limit upto 25 lakh for manufacturing enterprises and 10 lakh for service enterprises term as micro enterprises) are classified into manufacturing sector and service sector. Manufacturing sector includes six types of

enterprises namely Mineral based industries, Forest based industries, Agro based industries, Polymer and chemical based industries, Engineering and non-conventional energy and Textile industry. Second, a list of registered beneficiaries under District Industry Centre (DIC), Directorate of Industries and Commerce and Khadi and Village Industries Commission (KVIC)/ Khadi and Village Industries Board (KVIB) was collected and categorized group wise and ultimately 5 per cent of enterprises was selected purposively from each group for detailed investigation. There are as many as 4179 registered micro enterprises in the Kamrup (Rural) district since 2004-05 to 2013-14 (As per the report of DIC/Directorate of Industries and Commerce/KVIC/KVIB of Assam). Out of 4179 units, 2301 are manufacturing units and the rest 1878 are service units. Again, out of these 4179 units, 1755units (41.99 per cent) registered under Directorate of Industries and Commerce, Bamunimaidan, 1393 units (33.34 per cent) registered under KVIC/KVIB state offices and remaining 1031 units (24.67 per cent) registered under the District Industry Centre (DIC). In the study, we have selected only 5 per cent of units from each category of designated enterprises. Thus as many as 209 units (115 manufacturing units and 94 service units) are selected for detailed investigation. Only those industries which are functioning have been considered for our study. The dormant of inactive industries are excluded from the purview of our study. The selection of sample units' (group wise) of industries is shown in Table-1.1

Table-1.1 : Selection of Sample Units for field survey

Name of the Group of Industries		**Number of registered units**	**Selected numbers of sample units (5%)**
Manufacturing Enterprises	Mineral Based Industry	423	**21**
	Forest based industries	288	**14**
	Polymer and chemical based industries	177	**9**
	Engineering and non-conventional energy	558	**28**
	Agro based industries	612	**31**
	Textile industry	243	**12**
Service Enterprises	Laundry, Carpentry, plumbing, tea stall, cycle	1878	**94**

	repair shops, sound system, dhaba, battery charging.		
	Grand total	**4179**	**209**

Statistical Tools Used

The collected data was processed with the help of Software Package of Social Science (SPSS). The collected data is presented by percentage method and simple tables. Besides, the Compound growth rate, two variable linear regression model for projection of output, investment and employment, Gross Value Added, Net Value Added, Diagrams and Graphs are also used for analysis of data when required.

Analytical Framework

The collected data has been analysed with the help of percentage method. The objectives wise analytical framework is depicted in Table-1.2

Table-1.2: Analytical Framework

Objectives	Data source	Line of analysis
1.To highlight the present scenario of MSEs of Assam with reference to the numbers of units, output, employment and investment.	Secondary data	Compound growth (loglin model) rate of nos. Of units, output, employment and investment is estimated
2.To make a projection of output, employment and investment of MSEs for 2020.	Secondary data	Projection of output, investment and employment has been made by using two variable linear regression model and Labour-Output ratio model.
3.To investigate the economic contribution of MEs in the study area.	Primary data	Gross Value Added (GVA), Net Value Added (NVA) and profit is estimated to know the actual contribution of enterprises

4.To evaluate the pattern of financing, marketing, raw materials, training to enterprises.	Primary data	Descriptive and analytical
5.To examine the various problems of MEs	Primary data	Descriptive and analytical

Major Findings

1. It was found that there are 22,8024 Micro and Small Enterprises (MSEs) in the state as on 2006-07 against 37,0903 MSEs in the entire North Eastern Region (NER), sharing a 61.48 per cent concentration of MSEs in Assam alone. Similarly, in the same period, fixed investment of micro enterprises in Assam was estimated at Rs.1364.20 crore against Rs.2648.86 crore fixed investment made in the North Eastern Region (NER). Thus, Assam alone accounted for more than 51.5 per cent of the total investment. Again, the share of Assam in production and employment was found to be 66.2 per cent and 55.12 per cent respectively in the North Eastern Region (NER).

2. The number of MSEs had grown at a moderate scale during the period 1993-94 to 2010-11. The employment, investment and output per units of MSEs showed a steady rising trend during the 18 year period.

3. The compound growth rate of employment, investment and output of MSEs in Assam found to be positive and highly impressive. The compound growth rate of employment, investment and output of MSEs (1993-94 to 2010-11) is found to be 0.8796 per cent, 32.068 per cent and 16.247 per cent per annum respectively.

4. The growth of new units established by the types of enterprises also reflects uneven growth in Assam. It is the textile based, engineering and agro based enterprises together share 72.76 per cent of enterprises in Assam as on 2010-11.

5. The projected value of all the four variables namely number of units, investment, employment and gross output for 2019-2020 gives an impressive results and positive expectation to increase more. The number of MSE units will increased by 1152 units,

investment will increased by Rs.40583.50 lakh, output will increased by Rs.87527.993 lakh and employment will increased by 8594.

6. The study on socioeconomic profile of enterprises shows that 24 per cent of enterprises established in 2001-05. The age profile of the entrepreneurs shows that 47 per cent are in the age group 31-40 years which implies that the entrepreneurs are younger. Again educational standard shows that 33 per cent are HSLC passed but undergraduate.
7. The study shows that 53 per cent entrepreneurs are belong to Hindu religion, 38 per cent belong to Muslim and the remaining 9 per cent belong to other religions. The study also highlighted that the general category of sample entrepreneurs are found highest (50 per cent) followed by the OBC/MOBC category (28 per cent) entrepreneurs. The SC and ST category constitute 10 percent and 12 percent respectively.
8. There is gender disparity among entrepreneurs. It was only 18 per cent of female entrepreneurs are found against 82 per cent of male entrepreneurs under the study. The percentage of female entrepreneurs is less than half of male counterpart.

9. The landholding pattern is classified into landless, having own lands and having leased in lands reveals that 57 per cent of respondents possess own lands, while 28 per cent is found landless and 15 per cent of entrepreneurs have taken the lands on lease.
10. The field study reveals that the total project cost of manufacturing sector is Rs. 64,40,000 and service sector is Rs. 23,14,656. The manufacturing sector covers 73.56 per cent to total project cost and the rest 26.44 per cent covered by service enterprises. Majority of sample enterprises (150 units) is found within the investment limit upto to 2 lakh and the rest (59 units) lie in the investment limit 2.01 lakh to 15 lakh.
11. The study reveals that the service sector is lagging behind the manufacturing sector enterprises in respect of investment limits and project cost (fixed capital and working capital). Majority of micro enterprises lies in investment limit up to 10 lakh and very few enterprises able to cross the limit of 10 lakh.
12. It was found that goods or services produced by micro enterprises are sold in the local market, nearby urban place, outside the district, outside the State and outside the country or international markets. It was found that 43.55 per cent enterprises sold their products in the local market, 34.92 per cent in the nearby urban place, 11.96 per

cent in outside the district, 7.18 per cent in outside the state and the rest 2.39 per cent in international markets.

13. The study reveals that majority of entrepreneurs (40.66 per cent) uses their own funds in enterprises. Likewise 36.36 per cent undertaken from institutional sources, 9.57 per cent undertaken from non institutional sources and rest 18.19 per cent had taken from both institutional and non-institutional sources

14. It was found that, 209 sample units of micro enterprises have provided employments to 807 persons in the study period, out of which 558 are males and 249 are females. The share of male and female employment to total employment of the sample units has been found to be 69.14 per cent and 30.86 per cent respectively. So far as the employment pattern of micro enterprise units by types of employment i.e., full time and part time employment is concerned which reveals that out of total employment 807, only 50.53 per cent are engaged as full time workers and 49.45 per cent are engaged as part time workers.
15. The study reveals that majority of entrepreneurs are not receiving training. Out of 209 surveyed units, only 76 (36.36 per cent) received training and rest 133 (63.64 per cent) did not received any training. Again, so far as the sources of the availability of raw materials is concerned it was found that 47.8 per cent of entrepreneurs have sufficient raw materials or inputs supply and the rest 52.2 per cent faced the problems of insufficiency of raw materials.
16. The use of technology shows that nearly 71.78 per cent of enterprises run by using domestic technology, 14.83 per cent enterprises use modern technology, and only 13.39 per cent uses both modern and indigenous technology. It was found that the majority of micro enterprise units depend upon indigenous technology.
17. The estimated Gross Value Added, Net Value Added and Profit of the enterprises are found to be Rs. 53,20,655, Rs. 39,37,640.4 and Rs. 49,89,819.62 respectively. So far as the GVA of manufacturing sector is concerned it was found to be maximum Rs.8,42,247 for mineral based enterprises and found to be lowest Rs. 2,97,480 for textile enterprises. Similarly, the estimated profit and NVA is maximum for mineral enterprises was found to be Rs. 5,89,572.9 and Rs. 7,83,289.71 respectively. The profit margin and NVA is also found to be lowest for textile enterprises which is Rs.2,26,085 and Rs. 2,79,928.68 respectively for the period (March, 2014 to February, 2016). For the same period the service sector contributed to GVA by Rs. 22,39,881**,** the profit by Rs. 17,02,310 and the NVA by Rs. 21,14,447.7.

18. The percentage share of Gross Value Addition (GVA) of manufacturing and service sectors to total GVA of micro enterprises of the district during March, 2014 to February, 2016 has been found to be 57.9 per cent and 42.1 per cent respectively. The mineral and agro enterprises in the district emerged as significant manufacturing enterprises in terms of contribution to GVA in the micro enterprise sector of Kamrup (Rural) district. The mineral enterprises has contributed Rs. 8,42,247 (15.82 per cent) and Rs.703917 (13.23 per cent) by agro enterprises respectively to GVA of the micro enterprise sector of Kamrup (rural) district during the period March, 2014 to February, 2016.
19. The micro enterprises in the district are suffering five major problems viz. physical, financial, manpower, marketing and technological. The study reveals that 27.26 per cent has a financial problems, 18.66 per cent has a marketing problems, 17.72 per cent has faced the technological problems and 15.78 per cent has faced the manpower problems
20. The identified four types of main causes of physical constraints of micro enterprises in Kamrup (rural) district are lack of sufficient electricity, inadequate inputs supply, high transportation cost and inadequate road connectivity. The lack of sufficient electricity (39.53 per cent) and inadequate inputs supply (32.56 per cent) are the major causes of backwardness of micro enterprises.
21. The identified three main causes of financial constraints are difficulty in getting loan, high interest and cumbersome rules. More than fifty per cent of enterprises had lack of adequate supply of credit.
22. The identified causes of marketing problems of enterprises are found to be lack of marketing skill, lack of advertisement and tough competition with large enterprises. It was found that 48.71 per cent of entrepreneurs have this problem due to absence of advertisement, followed by tough competition and absence of marketing skills of entrepreneurs.
23. The technological problem has three identified causes viz. shortage of fund to purchase machineries, lack of appropriate knowledge in handling machinery and non-availability of suitable machinery. It was found that 56.75 per cent units are unable to purchase up-to-date machinery, 27 per cent lacks knowledge of handling machinery and rest 16.25 per cent enterprises did not have suitable machinery.

Suggestions

In the light of the above findings the study suggests the following policy prescriptions and measures for the growth and development of Micro Enterprises (MEs) as well as entrepreneurship development.

1. The institutional support from the government is very important because micro enterprises of Assam are being found to play a vital role in encouraging first generation entrepreneurs through providing employment opportunities and investment. The government should launch special support for the existing entrepreneurs through provision of cheap credit, subsidy, easy market accessibility and input support. It will definitely help the entrepreneurs directly and indirectly.
2. The service sector enterprise is lagging behind in respect of fixed capital investment. The fixed capital investment of service sector should be encouraged. Again, the limits of investment of micro enterprises under service sector beyond 10 lakh should be increased.
3. The entrepreneurs should prefer to sold their articles in the outside market (outside of district or state) rather than the local markets which will definitely raise revenues of enterprises, will augmented demand for the product and able to capture the outside market.
4. The role of institutional financial institutions should be expanded to provide cheap credits to the entrepreneurs. Besides, the female employment in both manufacturing and service sector enterprises must be raised by providing various incentives because their participation is very low in the study area.
5. Training should be made compulsory for every entrepreneur by the Government. In this regard, District Industries Centre, Khadi and Village Industries Centre, Khadi and Village Industries Board, etc. should play active role in timely provision of training in respect of skill upgradation, preparation of project, assistance and support to implement the project, procurement of raw materials, machinery, installation, quality control acceptability and reliability, packaging and designing for better marketing, and marketing support for sustainability of the rural units.
6. The supply of raw materials at cheap price is also very important for cost reduction and increase availability of supply of goods and services. In this regard the district industries centre or khadi and village industries board should have sufficient storage

of raw materials and accordingly it should be supplied to the needy entrepreneurs. Again, KVIB/KVIC/DIC should be encouraged for the use of low cost modern machineries in the enterprises.

7. The manufacturing enterprises like forest, polymer and chemical, and textile enterprises have very low contribution to the GVA in Kamrup (rural) district. Therefore, the special support from government is considered to be very important for strengthening these enterprises which not only raise employment potentiality but also contribute more to the GVA of the district.
8. The infrastructural development is a part and parcel for rapid industrialisation in a region. In this direction, adequate road connectivity, sufficient electricity supply, available inputs supply, low transportation cost, expansion of banks networks in rural areas, proper cold storage facility, warehouse facility etc., should be developed adequately.
9. The financial hurdle should be eliminated. The banking institutions should simplified the process of sanctioning loans and the banks should supply credits to the needy borrowers at low interest rates.
10. The problem of marketing is one of the reasons for poor performance of the entrepreneurs. The planning and marketing constraints should be eliminated for healthy growth of rural enterprises because proper planning and congenial market structure would help in bringing about a phenomenal impact of rural industrialisation on the rural economy
11. Most of the entrepreneurs are adopting traditional technology in the process of production that is why their cost of production and prices are high. In this regard the government should provide adequate energy sources and technical instruments at subsidised price specially the newly growing enterprises.
12. The entrepreneurs will have to be innovative in their approach because innovation is the key for all success. Entrepreneurs must be dynamic, innovative and have to change their mindset. They must be alert for emerging opportunities and challenges and must have competitive spirit to grow and expand their enterprises.
13. To enhance the entrepreneurial skill of the entrepreneurs, special training programmes should be extended to the entrepreneurs regularly so that they can acquire the capacity of time management, technology management, marketing management, product management etc. For strengthening entrepreneurial motives, developing skills, capabilities and competence among small enterprises, integrated efforts in the form of

entrepreneurship development programmes have been devised by the government departments, foreign aid agencies and the institution of higher education and these should be vigorously pursued in rural areas.

14. The problems of manpower should be eliminated by providing full time engagement of labours and also work incentive training programme should be introduced in time to time.

Conclusions

The overall scenario of micro and small enterprises (MSEs) in Assam is examined in terms of the growth of output, employment and investment which is very impressive and significant. The Micro, small and Medium Enterprises (MSMEs) Development Act of 2006, perhaps is the most crucial of these recent policy changes. The formulation and implementation of various policies and schemes of MSMEs sector is undertaken by the Ministry with the assistance of its attached and autonomous organisations. The projection of output, employment and investment of micro and small enterprises for 2020 leads to the conclusion that this MSEs of Assam has bright future prospect. We can expect more output, income, employment opportunities and investment in this sector in macro level.

Again the general background of the entrepreneurs leads to the conclusion that majority of the entrepreneurs are younger and energetic, they are highly educated and they possesses enough own land. The micro enterprises play a crucial role especially in respect of investment, employment, contribution to Gross Value Added, Net Value Added and profits in Kamrup (Rural) district. This micro enterprise sector still requires extensive support of government in respect of entrepreneurship development, finance, marketing and raw materials. Besides entrepreneurial skill and innovativeness, and strong willingness for entrepreneurship is also very important.

At the same time micro enterprises faced key challenges like physical, financial, manpower, marketing and technological. For each key challenges has specific identified causes like inadequate road connectivity, lack of sufficient electricity, lack of adequate inputs supply, high transportation cost, difficulty in getting loans, high interest, cumbersome rule of financial institutions, shortage of skilled labours, non cooperative attitude, lack of marketing skills, lack of advertisement, competition with large enterprises, shortage of funds to purchase modern machineries, lack of knowledge in handling machinery and non-availability of suitable technology. Despite the various challenges, the micro enterprise has shown admirable performance in employment

generation, capital investment, generation of income, Gross Value Added, Net Value Added and profits. The micro enterprises have grown rapidly over the years in Assam. The period of liberalisation and the development the micro enterprises constituted a crucial segment in economy of Assam.