Recent trend of village and small enterprise sector: exploring and exploiting its opportunities in the North Eastern Region of India touching upon its profile and barriers

SK Mishra
North-Eastern Hill University, Shillong (India)

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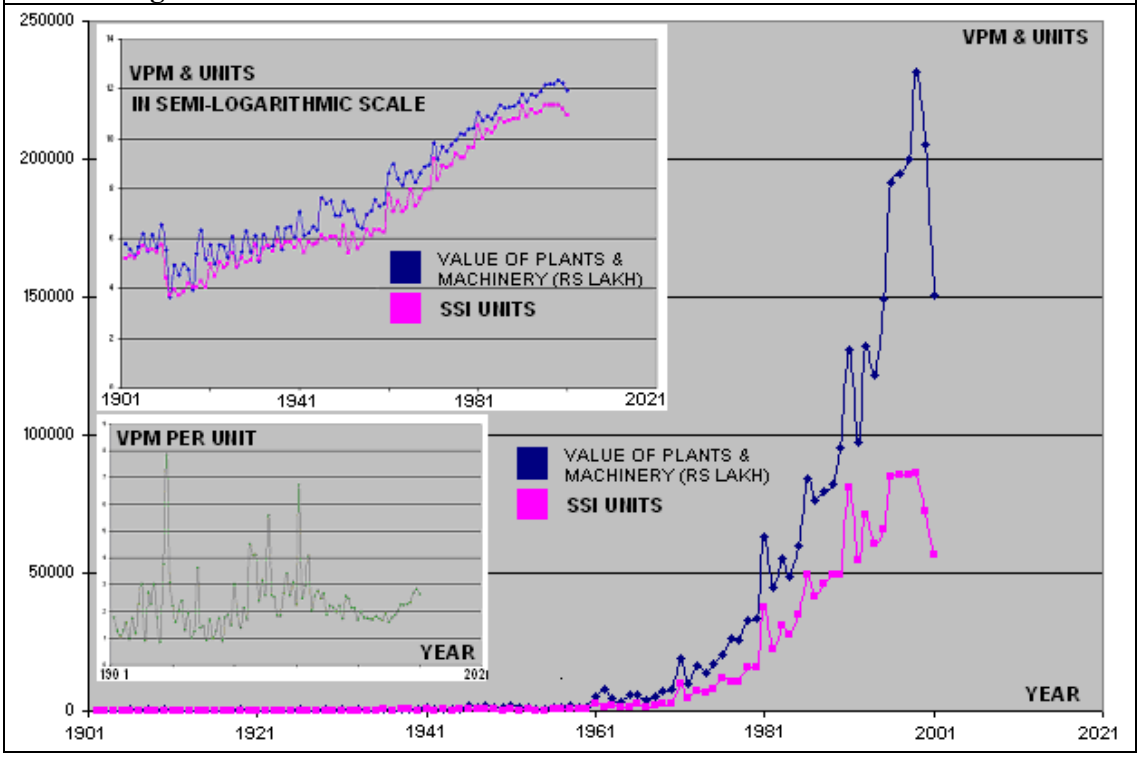
SK Mishra
Dept. of Economics
North-Eastern Hill University
Shillong, Meghalaya (India)

I. Introduction: Manufacturing or the practice of addition to the use-value of a tangible produce of nature by changing its material qualities through purposive and conscious application of human labour is an economic activity that might have evolved not much before the passage of human civilization into the stage of hunting and gathering. This practice might have been a realization of the instinct of manufacturing, found in animals too, obviated by the instances of birds making nests, rats making holes and bees making hives. When the hunting and gathering man might have found that the exosomatic instruments not only added to the efficiency and effectiveness of the endosomatic ones (Lotka, 1945), but they also reduced toil and trouble, he might have saved labour and time to invest them on transforming some materials to tools and the others to the stuff to meet the corporal requirements (Medawar, 1953; 1973). Similarly, using the services of others, especially the minor, lesser and dependent, acquisition and storing safely for use in future, possession and forsaking or offering tangible requisites of life for material, corporal or carnal favour of other fellow beings, etc are also rooted in the animal instincts. These practices became settled at an organized level with the passage of human civilization from nomadic to the settler stage and since then we have 'manufacturing' and 'services' as the important economic activities in our lives. Although division of labour is innate and instinctive, it is likely that its practice at the societal level, beyond the individual and his family, might have come much later. However, its advantages would have been recognized pretty early in the history of human civilization. A group of people depending on a few other groups of people for meeting each other group's needs, however, might have been a yet later development.

Manufacturing, truck and barter, trade and rendering of other services as an occupation remained at the margin so long as man or beast had to turn the wheel. Even today, the areas where sinews and shrubs are the supreme sources of energy, agriculture, not manufacturing or services, is the prime sphere of activity and the cardinal source of livelihood. Manufacturing and services in such areas have only a slender base on the demand as well as the supply side. On account of this, the market for the product of these activities can only be limited in variety, volume and vigor. Manufacturing, on account of its power to create wealth and add value to the product manifold of what agriculture or animal husbandry can do, provides a base to services. When the manufacturing activities are at a low level, much value addition to products is precluded. A limited possibility of product making and marketing, in turn, limits the factor market too and hand in hand they weave a loosely knit sub-structure. It relates to a low level equilibrium of the economy characterizing under-utilization, distortions and poverty.

An enterprise, by its very nature, is risk taking. Its rate of success is generally small, but when it succeeds it is notably rewarding. Its success depends partly on the ability of the entrepreneur to making appropriate decisions at several levels; in the choice of appropriate product to manufacture, location of the plant, appropriate technology and inputs, supervision of the activity of workers, resolving conflicts among various interest groups within the firm, deciding the scale of output, exploring the markets, caring for the clients, maintenance of quality and goodwill, handling competitive forces, and so on. It also depends on the financial strength of the entrepreneur as well as his ability to obtain and manage funds from the market. As Galbraith (1980) put it, poverty entails risk-aversive behaviour and therefore goes against entrepreneurship. Further, as Veblen (1904, 1921) pointed out, entrepreneurship thrives on industrial culture, the mental make up to account and strive for pecuniary gains. Poor economies do not provide a fertile base to the pecuniary culture of thinking and action (Veblen, 1899). A vicious circle of poverty, lack of entrepreneurial abilities and the resultant poverty make a low equilibrium trap. This vicious circle may not automatically give a way to industrialization and therefore may necessitate intervention from without and perhaps a big push.

Fig.-1: Trends in Growth of Small-Scale Industries in India: 1901-2001



II. The Village and Small Enterprises: Village and small enterprises in India have an age-old history. Artisans in different trades were needed to provide implements to farming operations; furniture and fixture needed to build houses; clothes to wear; ornaments, jewellery and footwear to put on; and a plethora of other articles. They also supplied those articles to the town-dwellers and the rich. Side by side there were persons who provided various services to the people in rural as well as urban areas. When Mahatma Gandhi pleaded for a thrust to be given to these trades and spoke of village-

based tiny productive activities, he had, in fact, many things in mind. However, the planned development of India was inclined to large and heavy industries. Yet, although with a concern of lesser order, village and small industries flourished and complemented the industrial economy of India. A synoptic view of growth of small-scale enterprises may be obtained through Table-1 and Fig.-1. Its growth accelerated in the 1960's and continued unabated since then to cross 86 thousand units (firms) in 1998.

TABLE-1 : YEAR-WISE VALUE OF PLANT & MACHINERY (VPM in Rs. LAKH) INSTALLED BY OPERATING REGD. SSI UNITS

Year	VPM	Units	Year	VPM	Units	Year	VPM	Units	Year	VPM	Units	Year	VPM	Units
1901	320	180	1921	146	90	1941	448	235	1961	8045	1196	1981	44864	22464
1902	262	203	1922	310	154	1942	497	356	1962	4432	1771	1982	54950	30994
1903	204	187	1923	296	124	1943	662	312	1963	3432	1163	1983	48679	27767
1904	294	226	1924	184	142	1944	570	335	1964	5607	1375	1984	60141	35086
1905	487	306	1925	443	229	1945	2035	451	1965	5913	2897	1985	84045	49056
1906	242	250	1926	130	129	1946	1627	398	1966	3860	1489	1986	76148	41746
1907	463	263	1927	232	186	1947	1810	439	1967	5579	2021	1987	79482	45980
1908	282	236	1928	553	153	1948	1031	432	1968	7227	2904	1988	82287	49258
1909	713	310	1929	231	166	1949	1005	317	1969	7871	2937	1989	95525	49602
1910	252	83	1930	458	315	1950	1780	683	1970	18794	10009	1990	130800	81071
1911	39	42	1931	159	174	1951	1244	223	1971	9700	4344	1991	97216	54554
1912	141	52	1932	462	271	1952	1264	487	1972	16194	7510	1992	132197	70846
1913	93	41	1933	293	297	1953	687	270	1973	13663	6866	1993	121802	60208
1914	145	48	1934	305	240	1954	604	326	1974	17138	7708	1994	149086	66005
1915	118	66	1935	632	360	1955	1056	571	1975	20541	11848	1995	191714	85080
1916	51	58	1936	260	287	1956	1225	452	1976	26628	10287	1996	194591	85700
1917	214	57	1937	616	345	1957	1914	558	1977	25872	10388	1997	199852	85446
1918	567	72	1938	666	351	1958	1493	573	1978	33027	15525	1998	231529	86124
1919	175	57	1939	424	283	1959	1634	527	1979	33492	15728	1999	205248	72376
1920	318	145	1940	1159	381	1960	5549	2409	1980	63252	37381	2000	150406	56736

III. The Case of North-Eastern Region of India: The predicaments of the North-Eastern Region (NER) of India are well known. A very large part of this region is hilly - not much suitable to a gainful agriculture. Farming can of course sustain the people, but cannot generate any appreciable surplus. This is one of the reasons why in the pre-British rule this region was neglected by the then centers of power. In the last hundred years of the British rule in India, this region attracted the missionaries (as well as the government) who did a lot to improve the socio-economic condition of the local people who were largely cut off from the main stream of civilization. After India won freedom, the larger part of the region and the inhabitants therein were given help and assistance of various nature. However, since those areas did not have much prospects to be chosen for location of large manufacturing enterprises, partly due to their location at the frontiers, the industrial development of this region lagged behind other parts of the country.

The North-Eastern Region of India comprises eight states; Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and (now), Sikkim. Among these, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland and Sikkim are largely hilly and sparsely populated. Other states are only partly hilly in various proportions to the plain land, and relatively thickly populated. Among these latter states, Assam and Tripura have more arable land in proportion to the hilly area.

Table-2 : Occupational Distribution of Workers Population in the North-Eastern Region									
State	Total Workers	Cultivators	Percent	Agricultural Labourers	Percent	Household Industry Workers	Percent	Other Workers	Percent
Sikkim									
Persons	263043	131258	49.90	17000	6.46	4219	1.60	110566	42.03
Males	165716	70107	42.31	8762	5.29	2849	1.72	83998	50.69
Females	97327	61151	62.83	8238	8.46	1370	1.41	26568	27.30
Arunachal Pradesh									
Persons	482902	279300	57.84	18840	3.90	6043	1.25	178719	37.01
Males	293612	136336	46.43	10329	3.52	3177	1.08	143770	48.97
Females	189290	142964	75.53	8511	4.50	2866	1.51	34949	18.46
Nagaland									
Persons	847796	548845	64.74	30907	3.65	21873	2.58	246171	29.04
Males	488968	270927	55.41	15985	3.27	9193	1.88	192863	39.44
Females	358828	277918	77.45	14922	4.16	12680	3.53	53308	14.86
Manipur									
Persons	945213	379705	40.17	113630	12.02	96920	10.25	354958	37.55
Males	527216	214282	40.64	49928	9.47	20547	3.90	242459	45.99
Females	417997	165423	39.58	63702	15.24	76373	18.27	112499	26.91
Mizoram									
Persons	467159	256332	54.87	26783	5.73	7100	1.52	176944	37.88
Males	263008	130497	49.62	12775	4.86	3476	1.32	116260	44.20
Females	204151	125835	61.64	14008	6.86	3624	1.78	60684	29.73
Tripura									
Persons	1159561	313300	27.02	276132	23.81	35292	3.04	534837	46.12
Males	831346	220962	26.58	162640	19.56	14830	1.78	432914	52.07
Females	328215	92338	28.13	113492	34.58	20462	6.23	101923	31.05
Meghalaya									
Persons	970146	467010	48.14	171694	17.70	21225	2.19	310217	31.98
Males	568491	255018	44.86	90888	15.99	9358	1.65	213227	37.51
Females	401655	211992	52.78	80806	20.12	11867	2.95	96990	24.15
Assam									
Persons	9538591	3730773	39.11	1263532	13.25	344912	3.62	4199374	44.03
Males	6870960	2634068	38.34	832508	12.12	133902	1.95	3270482	47.60
Females	2667631	1096705	41.11	431024	16.16	211010	7.91	928892	34.82
India									
Persons	402234724	127312851	31.65	106775330	26.55	16956942	4.22	151189601	37.59
Males	275014476	85416498	31.06	57329100	20.85	8744183	3.18	123524695	44.92
Females	127220248	41896353	32.93	49446230	38.87	8212759	6.46	27664906	21.75
Source: http://www.censusindia.net/t_00_009.html									

Accordingly, the economic activities in the secondary and the tertiary sectors have grown in proportion to the primary sector in the different states (Table-2). Manipur, with a long tradition in weaving, sericulture, handicrafts, etc has engaged much larger proportion of workers in the secondary sector, followed by Assam that vies closely with the national figure. On the other end, Arunachal Pradesh, Mizoram and Sikkim have slender engagement of workers in the secondary sector. Nagaland has a poor performance in the tertiary sector. Meghalaya performs slightly better than Nagaland but stands far behind the national figure. Arunachal Pradesh, Manipur and Mizoram are more or less at par with India (Fig.-2). It may, however, be noted that the tertiary sector in the NER is largely based on the activities generate through external assistance and not by the primary and secondary activities in the states within.

Fig.-2: Percentage of Total Workers in Manufacturing (+Construction) and Services in the North-Eastern Region of India

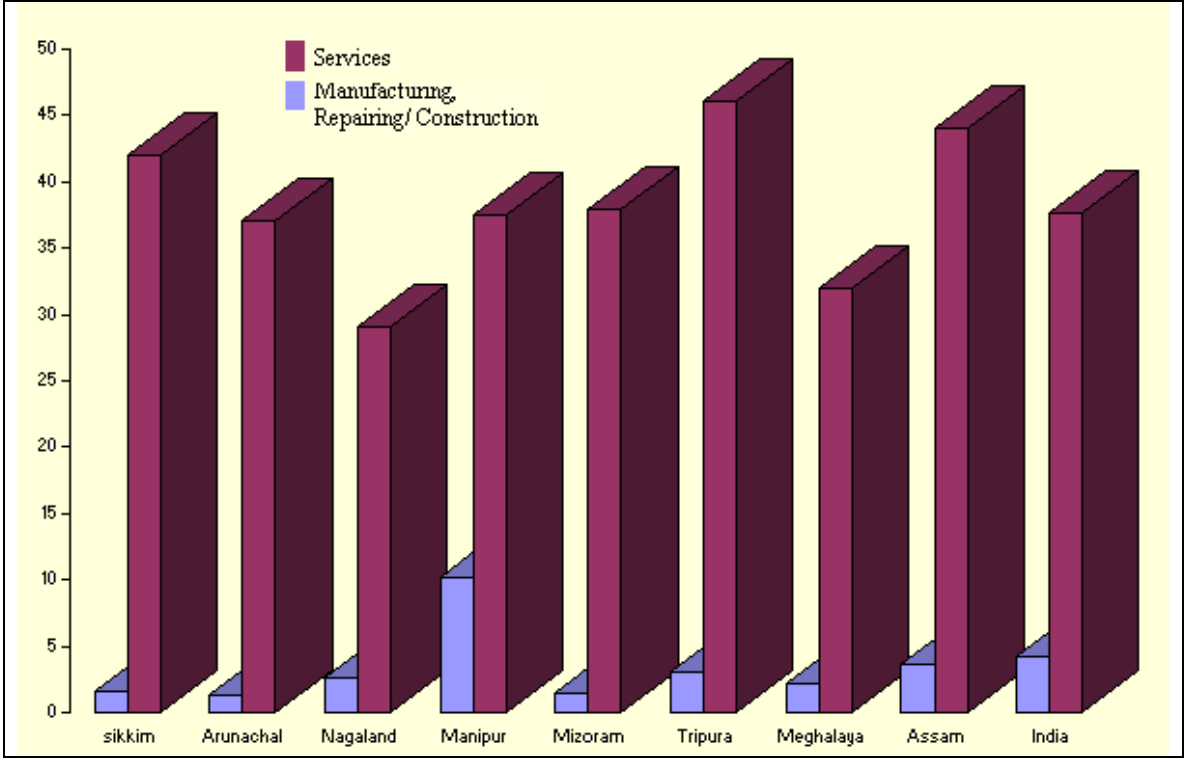


Table-3(A): DISTRIBUTION OF NO. OF REG.UNITS BY YEAR OF PERMANENT REGISTRATION														
State	Up to 1957	58	59	60-65	66-74	75-76	77-79	1980-84	1985-90	1991-96	1997-98	1999 & +	NR	Total
SK	2	0	0	0	0	1	0	5	42	65	13	19	0	147
AR	0	0	0	0	7	6	43	40	78	49	13	16	2	254
NG	3	0	1	0	13	14	34	12	31	81	26	318	1	534
MN	52	0	0	0	77	27	50	318	2287	1132	245	365	6	4559
MZ	5	0	0	0	4	7	21	181	1033	639	344	466	18	2718
TR	40	0	0	7	66	12	31	101	193	315	87	76	10	938
MG	7	0	0	0	8	6	11	119	324	527	326	609	1	1938
AS	63	1	0	5	170	53	211	1155	3278	5592	1780	1963	118	14389
NE	172	1	1	12	345	126	401	1931	7266	8400	2834	3832	156	25477
IN	11525	232	244	5807	33006	14513	36981	135929	288827	423707	183682	193093	20905	1348451

Table-3(B): Trends in Number of Small-Scale Enterprises in the North-Eastern Region									
Year	Sikkim	Arunachal	Nagaland	Manipur	Mizoram	Tripura	Meghalaya	Assam	NER
1991	NA	525	615	4059	2478	4967	1368	12802	26814
1992	NA	689	644	4308	2592	5661	1569	14354	29817
1993	NA	896	675	4571	2633	6604	1660	15814	32853
1994	NA	1121	704	4797	2693	7224	1765	17103	35407
1995	NA	1200	731	5034	2880	7311	1977	18637	37770
1996	NA	2280	749	5188	3466	7512	2079	20035	41309
1997-98	294	4456	712	5322	3907	1798	2982	34258	53729
1998-99	306	4546	982	5447	4313	1867	3247	36482	57190
1999-2K	322	4694	1276	5587	4490	1931	3505	38303	60108
2000-01	333	4750	1600	5778	4610	1967	3778	40419	63235
2001-02	341	4797	1969	5868	4970	2000	4044	42947	66936
2002-03	351	5022	2513	5974	5293	2020	4213	45193	70579
Source:	Basic Statistics of NER 2000, NEC, Shillong				Basic Statistics of NER 2006 : NER DATABANK NEDFi				
Note: For some States (e.g. Arunachal, Trpura and Meghalaya) data from the two sources appear to be inconsistent									

IV. Rural and Small-Scale Industries in the North-Eastern Region: The 3rd Census of Small-Scale Industries conducted in 2002-03 (Govt. of India, 2003) revealed that the number of registered small-scale enterprises in the NER exceeded 25.4 thousand (Table-3(A)). The year of registration of those enterprises indicates the growth of SSI in different states. Assam, Manipur and Tripura have many enterprises that were registered in the 1950's or before. In other states such enterprises were only a few and far between. However, since the 1960's most of the states experienced a fillip in the establishment and registration of small-scale enterprises. Trends in SSI are also revealed by Table-3(B).

Much like living beings enterprises too are subject to the laws of life epitomized in birth, growth, maturity and persistence, decline and finally death or extinction (*Jayatē*, *Vardhatē*, *Stheeyatē*, *Parinamatē*, *Nashyatē*). Closure of an enterprise, especially in the small-scale industries sector, is very common. The Census found that a little over 35 percent of rural enterprises in the nation are closed due to various reasons, internal and external (Table-4). In Manipur, however, only 27 percent of the rural enterprises recorded closure. The incidence of closure was more in Sikkim (50 percent) and Meghalaya (47 percent). In the urban sector, the incidence of closure was the highest in Tripura against the lowest in Manipur as well as Nagaland.

Table-4: PERCENTAGE DISTRIBUTION OF WORKING/ CLOSED UNITS IN THE REGD. SSI SECTOR

	Rural		Urban			Rural		Urban	
State	Working	Closed	Working	Closed	State	Working	Closed	Working	Closed
INDIA	64.39	35.61	58.18	41.82	MIZORAM	58.01	41.99	68.78	31.22
SIKKIM	50.00	50.00	54.77	45.23	TRIPURA	58.21	41.79	37.84	62.16
ARUNACHAL	44.17	55.83	62.71	37.29	MEGHALAYA	52.98	47.02	45.72	54.28
NAGALAND	66.28	33.72	86.48	13.52	ASSAM	60.14	39.86	56.67	43.33
MANIPUR	73.10	26.90	86.87	13.13	Source: Third Census of SSI, Govt. of India, 2003				

Table-5(a): DURATION OF OPER. OF WORKING REGD. SSI UNITS IN RURAL AREAS OF NE REGION

State	Duration of Operation in number of months [Percentage of Units] NR = Not Reported													Total Units
	< 1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	10-11	11-12	NR	
Sik	0.00	0.00	4.62	7.69	6.15	15.38	4.62	9.23	3.08	4.62	0.00	35.38	9.23	65
Aru	0.69	0.00	10.42	11.81	11.11	8.33	2.78	2.78	7.64	11.11	10.42	22.22	0.69	144
Nag	0.00	0.00	0.00	3.51	3.51	3.51	9.65	7.89	14.04	21.05	27.19	5.26	4.39	114
Man	0.69	0.33	1.47	2.69	2.74	5.88	10.04	11.47	10.98	23.40	11.19	18.13	0.98	2449
Miz	0.00	0.00	0.75	0.37	1.87	2.24	2.61	5.60	4.48	4.10	7.09	70.52	0.37	268
Tri	0.00	1.11	1.11	1.30	0.19	3.90	3.71	6.12	6.86	22.26	15.96	33.95	3.53	539
Meg	0.00	1.52	0.08	0.15	0.99	10.05	1.75	4.41	11.87	12.40	4.11	52.59	0.08	1314
Ass	0.19	0.33	0.72	0.97	0.57	2.95	2.76	3.53	5.91	24.71	25.45	31.44	0.47	6990
Ind	0.19	0.47	0.74	1.14	1.14	3.01	2.37	3.78	4.76	12.30	14.55	54.71	0.86	608422

Rural enterprises often do not run for all months during a year. It was found that at the national level some 42.36 percent fo the total number of enterprises ran less that 6 months. For Manipur, this figure was 5.22 percent, the least in NER against 33.85 percent in Sikkim that was the largest. Meghalaya, Assam and Mizoram had less than 10 percent rural enterprises that ran for six months or less (Table-5(a), (b)). Enterprises that do not run throughout the year naturally incur higher costs due to fixed capital remaining idle.

Table-5(b): DURATION OF OPER. OF WORKING REGD. SSI UNITS IN RURAL AREAS OF NE REGION														
State	Cumulative Duration of Operation in number of months [Percentage of Units] NR = Not Reported													Total Units
	< 1	< 2	< 3	< 4	< 5	< 6	< 7	< 8	< 9	< 10	< 11	< 12	NR	
Sik	0.00	0.00	4.62	12.31	18.47	33.85	38.47	47.69	50.78	55.39	55.39	90.78	9.22	65
Aru	0.00	0.00	0.00	3.51	7.02	10.53	20.18	28.07	42.11	63.16	90.35	95.61	4.39	144
Nag	0.69	1.02	2.49	5.19	7.92	13.80	23.85	35.32	46.30	69.70	80.89	99.02	0.98	114
Man	0.00	0.00	0.75	1.12	2.99	5.22	7.84	13.43	17.91	22.01	29.10	99.63	0.37	2449
Miz	0.00	1.11	2.23	3.53	3.71	7.61	11.32	17.44	24.30	46.57	62.52	96.47	3.53	268
Tri	0.00	1.52	1.60	1.75	2.74	12.79	14.54	18.95	30.82	43.23	47.34	99.92	0.08	539
Meg	0.19	0.52	1.23	2.20	2.78	5.72	8.48	12.02	17.93	42.63	68.08	99.53	0.47	1314
Ass	0.19	0.66	1.40	2.54	3.68	6.68	9.05	12.83	17.60	29.89	44.44	99.14	0.86	6990
Ind	0.69	0.69	11.11	22.92	34.03	42.36	45.14	47.92	55.56	66.67	77.08	99.31	0.69	608422

V. Organizational Aspects of Small Enterprises in the NER: Small-scale enterprises in India are mostly (about 85.9 percent) proprietary. The second largest category is that of the partnership, followed by cooperative management. Small-scale enterprises are usually not organized on the principles of a private company. However, in Nagaland, only 76.58 percent enterprises are proprietary and 7.22 percent are under the cooperative management. Sikkim and Assam come next in management of enterprises under the cooperative management. On the other hand, rarely we find enterprises in the other states run under the cooperative management (Table-6).

Fig.-3: Gender-wise Entrepreneurial Profile of the North-Eastern Region

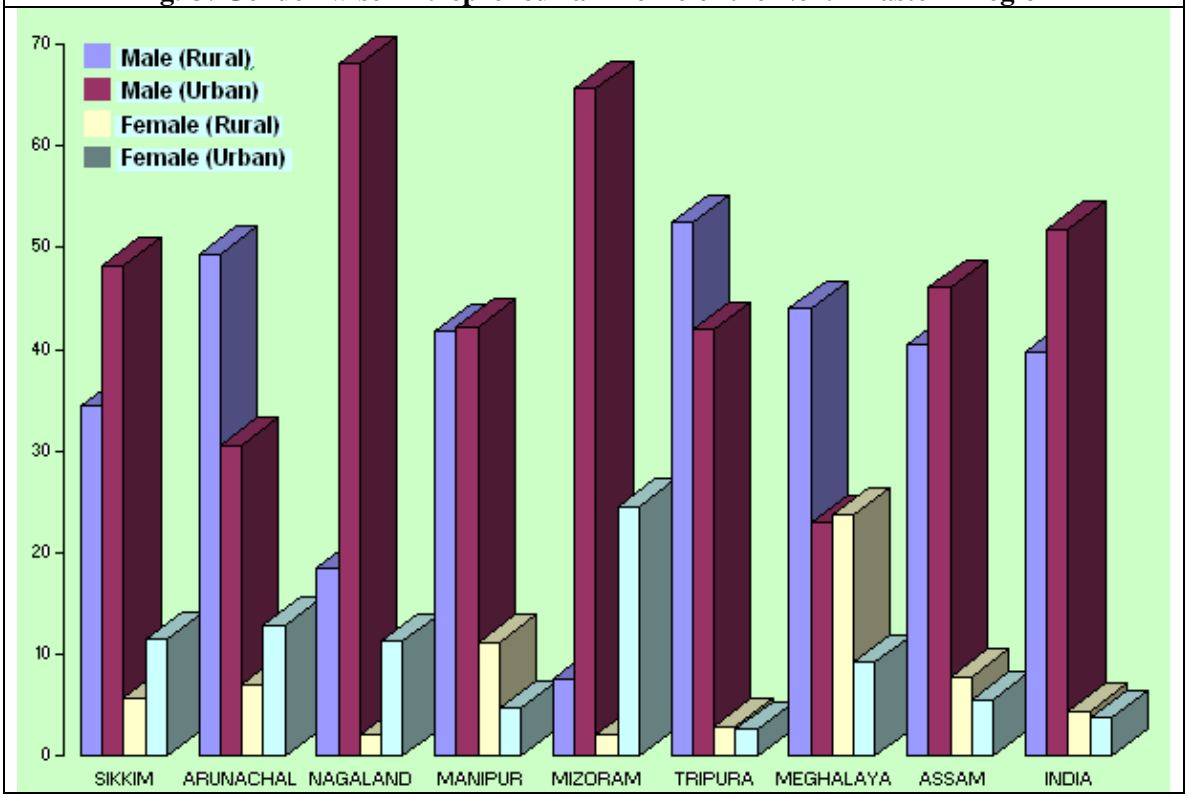
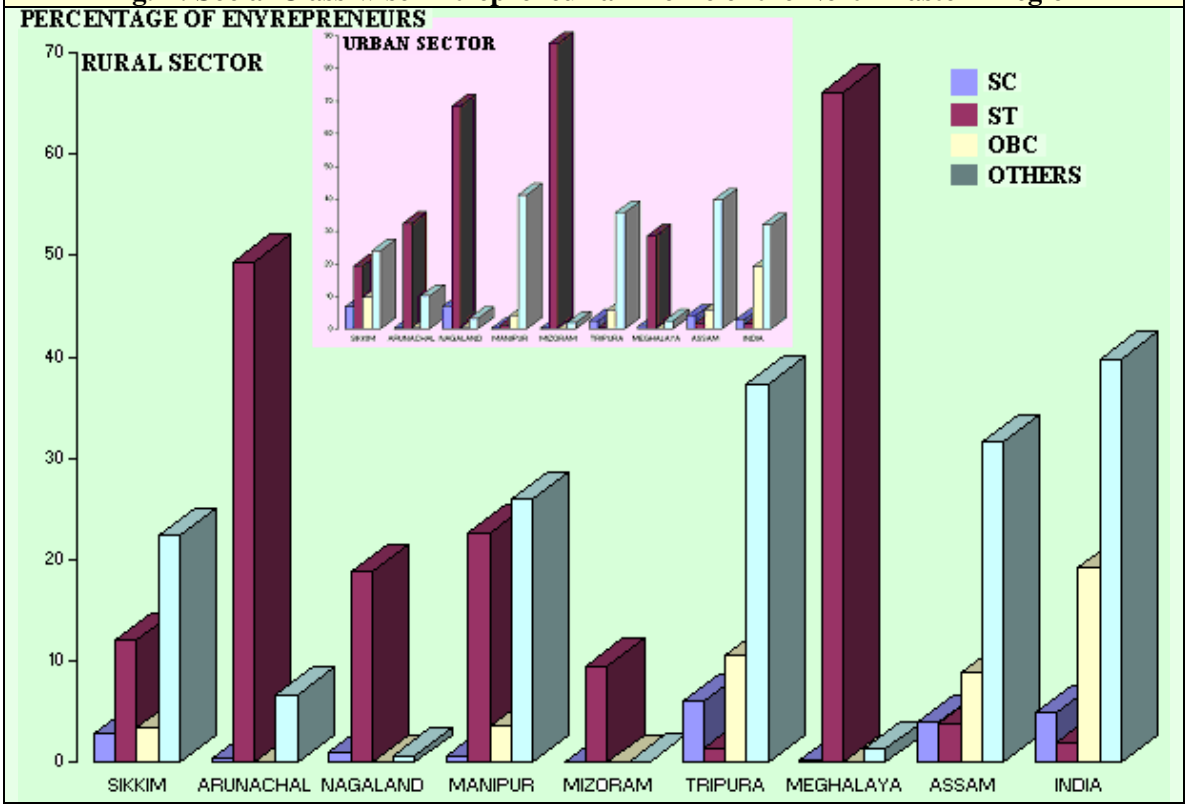


TABLE -6: STATE-WISE PERCENTAGE DISTRIBUTION OF NO. OF REGISTERED UNITS BY TYPE OF ORGANISATION						
State	No. Of Units Having Type of Organization					Total
	Proprietary	Partnership	Cooperative	Pvt. Company	Others	
SIKKIM	93.10	2.30	4.02	0.57	0.00	100.00
ARUNACHAL	97.25	0.00	0.39	0.00	2.35	100.00
NAGALAND	76.58	1.94	7.22	1.76	12.50	100.00
MANIPUR	98.96	0.50	0.07	0.30	0.17	100.00
MIZORAM	97.44	1.02	0.44	0.15	0.95	100.00
TRIPURA	89.78	6.15	1.88	0.63	1.56	100.00
MEGHALAYA	98.92	0.21	0.36	0.41	0.10	100.00
ASSAM	92.69	3.27	3.57	0.25	0.21	100.00
INDIA	88.85	7.21	2.42	0.34	1.17	100.00

Fig.-4: Social Class-wise Entrepreneurial Profile of the North-Eastern Region



The gender-wise distribution of entrepreneurs in the NER, first of all, indicates that the percentage of male entrepreneurs is far more than the female entrepreneurs in all states and both sectors, rural and urban (Table-7; Fig.-3). In Meghalaya, which is inhabited mostly by the tribes that are matrilineal and perhaps matrifocal too, the male entrepreneurship far exceeds the female entrepreneurship, although the latter is more prominent there than elsewhere in the NER (Mishra, 2007). In the urban areas of Sikkim, Arunachal Pradesh, Nagaland and Mizoram, female entrepreneurs are more in proportion than those in the rural areas, which indicates that in these states urbanization and economic development have worked in favour of gender equality in economic spheres. In Arunachal Pradesh, Manipur, Tripura and Meghalaya rural entrepreneurship is more

vivid, indicating the spread of industrial development beyond urban areas. Particularly in Mizoram and Nagaland, urban entrepreneurship dominates the scene and it appears that the rural areas have remained unattractive.

TABLE-7: GENDER AND SOCIAL CLASS WISE ENTREPRENEURSHIP PROFILE

State	Percentage No. Of Units in rural areas Managed by												
	Male		Female		SC		ST		OBC		Others		Total
	R	U	R	U	R	U	R	U	R	U	R	U	
SIKKIM	34.48	48.28	5.75	11.49	2.87	6.90	12.07	19.54	3.45	9.77	22.41	24.14	100
ARUNACHAL	49.41	30.59	7.06	12.94	0.39	0.39	49.41	32.55	0.00	0.39	6.67	10.20	100
NAGALAND	18.52	68.08	2.12	11.29	1.06	7.05	18.87	68.61	0.00	0.35	0.71	3.35	100
MANIPUR	41.77	42.27	11.24	4.72	0.67	0.33	22.72	1.22	3.63	4.22	25.96	41.25	100
MIZORAM	7.69	65.63	2.12	24.56	0.07	0.33	9.55	87.74	0.04	0.18	0.18	1.94	100
TRIPURA	52.45	41.92	2.92	2.71	6.05	2.61	1.46	0.42	10.53	5.84	37.33	35.77	100
MEGHALAYA	44.01	22.96	23.74	9.29	0.26	0.77	66.10	28.74	0.05	0.10	1.39	2.63	100
ASSAM	40.46	46.07	7.85	5.63	4.01	4.11	3.85	1.85	8.86	6.03	31.58	39.69	100
INDIA	39.83	51.85	4.50	3.82	4.94	2.91	2.06	1.48	19.24	19.27	39.83	32.02	100

The social class-wise distribution of entrepreneurship reveals that in Assam, Tripura, Manipur and Sikkim the majority of entrepreneurs are from the 'general' category; denoted by 'others' who do not belong to scheduled caste, schedule tribe and other backward classes (Fig.-4). Similar is the class-wise distribution at the national level also. This pattern is more pronounced in the urban areas. Especially in Manipur, scheduled tribes vie with the 'others' in the rural areas while the latter class is much more dominant in the urban areas. In Assam and Tripura, like at the national level, the 'other backward classes' secure the second position to the 'general' or 'others' class. In Manipur and Sikkim they secure the third position. Entrepreneurs from the schedule caste category have a significant presence in Tripura, Assam and Sikkim.

Table-8: Participation of Women in SSI Sector

State	Unregistered		Registered		State	Unregistered		Registered	
	Enterprises Managed by Women	Women Enter-prises	Enterprises Managed by Women	Women Enter--prises		Enterprises Managed by Women	Women Enter prises	Enterprises Managed by Women	Women Enter prises
INDIA	880780	926187	114361	137534	MIZO	2346	3007	730	693
SIKKI	0	53	30	45	TRIP	578	784	53	79
ARUN	80	87	51	63	MEGH	3018	2929	640	651
NAGA	130	122	77	57	ASSA	9241	9716	1948	2041
MANI	8434	9980	734	765	NER	23827	26678	4263	4394

VI. Employment and Output: A perusal of available data reveals that while the SSI sector in the North-Eastern Region employed 3.12 percent of the total number of persons engaged in the SSI sector in the country, it turned out goods and services that valued only 1.77 percent of the national SSI sector output (Table-9(A)). At the employment front, the registered SSI enterprises in the NER score a meager 2 percent of the nation; in output the share is even more slender, merely 0.86 percent. The small-scale enterprises in the NER are more labour intensive. This is indicated by the share of the NER in the market value of fixed asset (as well as the original value of plant and machinery) in the nation vis-à-vis employment of labour. (Table-10). It appears that in the NER capacity utlization of plants also is in the lower side.

Table-9(A): Status of Small Scale Industries in the NE Region				
State	No. of Units	Fixed Investment*	Production*	Employment
SIKKIM	415	12.60	44	1580
ARUNACHAL	1411	34.17	69	4330
NAGALAND	15623	378.55	540	66466
MANIPUR	54101	403.67	703	153715
MIZORAM	12529	139.89	207	28622
TRIPURA	27448	329.27	461	62861
MEGHALAYA	25383	164.45	481	75607
ASSAM	219092	1287.39	4907	487871
NER	356002	2749.99	7412	881052
[% to India]	3.02	1.54	1.77	3.12
India	11859000	178699.00	418263	28257000
* in Rs crores. Source: Govt. of India, Ministry of SSI, Annual Report 2005-06				

Distribution of employment in the SSI sector by different criteria (gender, social class, etc) are presented in Table-9(B). In Tripura, Meghalaya and Manipur the small-scale industries have an inclination to generation of employment in the rural areas whereas Mizoram, Nagaland and Sikkim have the urban bias (Fig.-10(a)). Assam and Arunachal Pradesh have more or less balanced division between rural and urban employment. The small-scale enterprises in Tripura, Meghalaya, Mizoram and Arunachal Pradesh have exhibited an inclination to employment generation for women (Fig.-10(B)). This is partly so due to generally higher involvement of women in the economic and productive activities, characteristic of the NE Region. However, Nagaland and Assam have a clear bias to the male employment generation.

Fig.-10(A): Inclination to Rural Employment Generation of SSI Sector in the NER

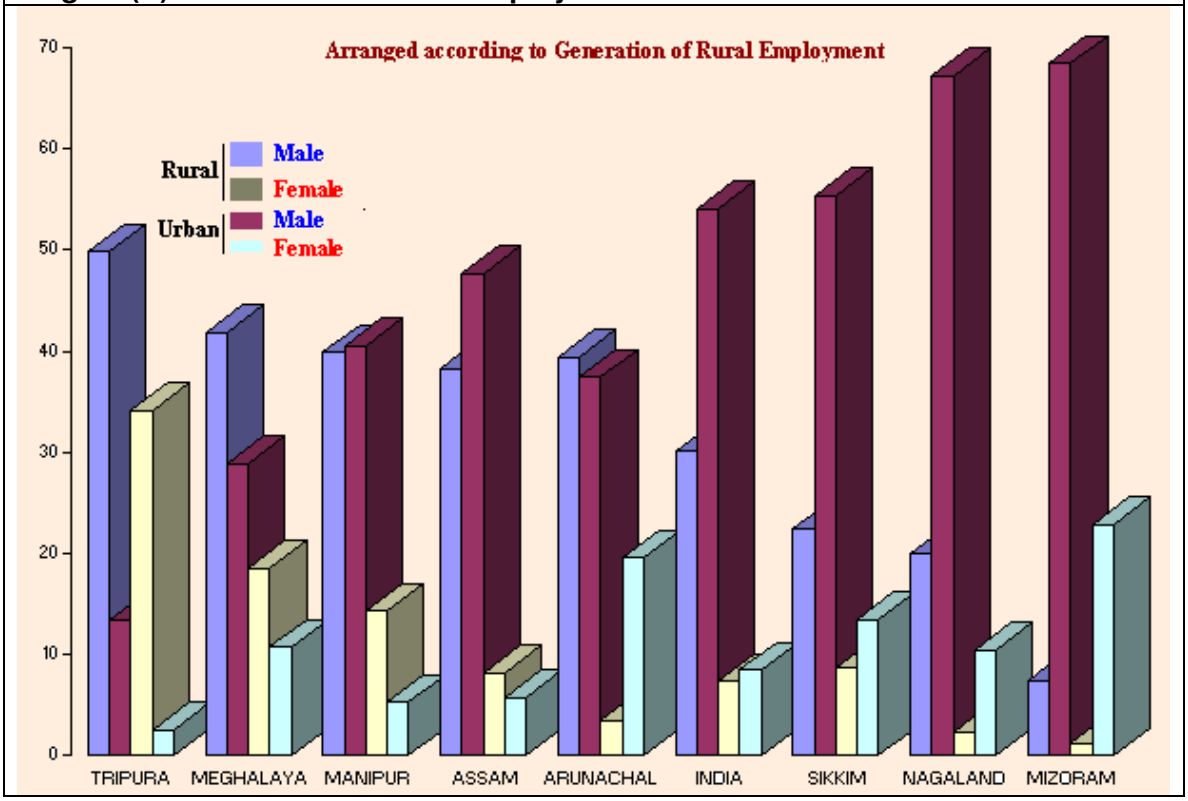


Table-9(B): Estimated Percentage Distribution of Persons Employed in Small-Scale Enterprises															
State	**Male**		Female		SC		ST		OBC		Others		Children		Total
	R	U	R	U	R	U	R	U	R	U	R	U	R	U	
SIK	22.40	55.42	8.65	13.44	4.79	8.02	5.83	13.02	7.81	21.67	12.71	26.04	0.00	0.00	100
ARU	39.43	37.47	3.51	19.58	3.92	4.73	12.56	20.86	3.31	3.44	23.16	28.02	0.00	0.00	100
NAG	19.95	67.22	2.38	10.45	2.84	19.11	15.56	38.68	1.19	7.89	2.74	12.00	0.00	0.00	100
MAN	39.85	40.53	14.36	5.27	0.55	0.03	19.65	0.92	2.67	3.37	31.34	41.48	0.01	0.08	100
MIZ	7.45	68.41	1.27	22.88	0.10	2.62	6.83	80.34	1.17	1.11	0.61	7.21	0.00	0.02	100
TRI	49.81	13.39	34.18	2.62	17.25	3.32	15.29	0.21	26.34	3.75	25.10	8.73	0.44	0.01	100
MEG	41.81	28.94	18.51	10.73	1.41	1.68	52.85	33.05	0.78	0.39	5.28	4.56	0.01	0.02	100
ASS	38.32	47.64	8.24	5.81	5.44	7.11	4.95	4.61	10.90	9.64	25.27	32.09	0.13	0.18	100
IND	30.12	54.06	7.35	8.47	6.17	7.87	2.78	4.06	14.95	21.17	13.57	29.43	**0.10**	0.12	100

Fig.-10(B): Inclination to Women Employment Generation of SSI Sector in the NER

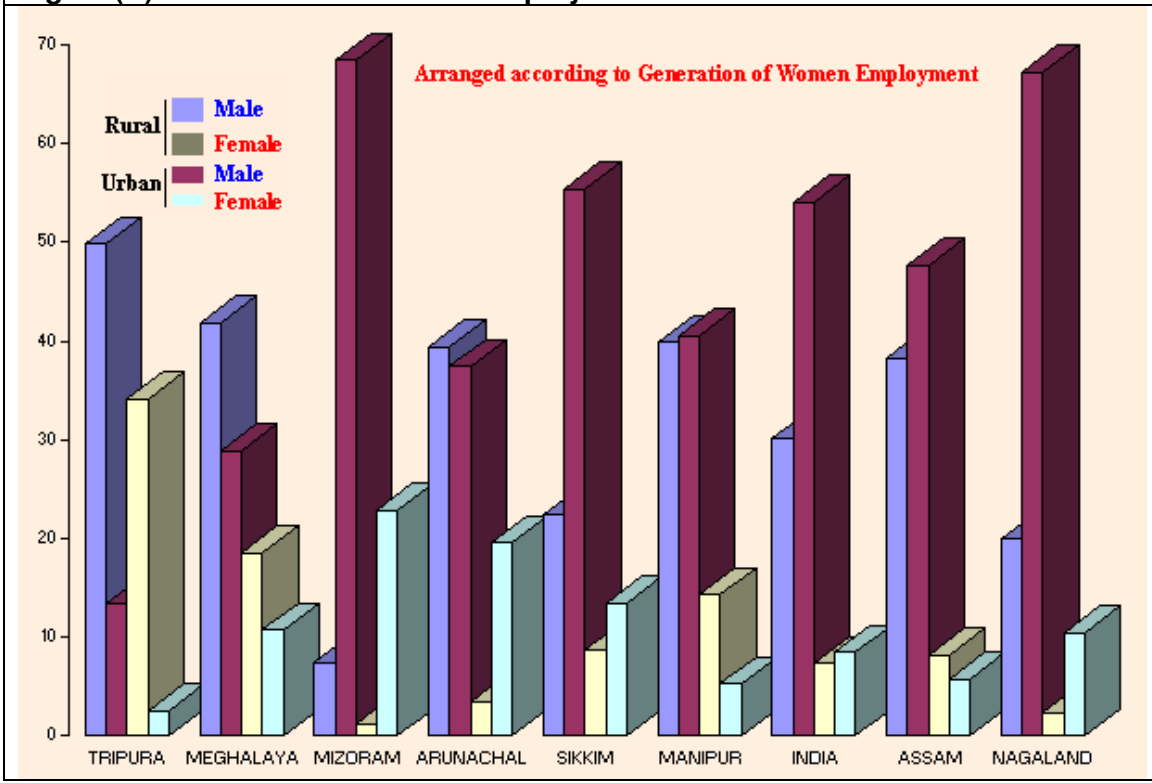


Table-10 :PERCENTAGE DISTRIBUTION OF PRINCIPAL CHARACTERISTICS (REGTD UNITS)						
State	**No. of Working Units**	**Market Value of Fixed Assets**	**Original Value of Plant & Machinery**	**Employment**	**Gross Output**	**Export**
SIKKIM	0.01	0.01	0.01	0.02	0.01	0.00
ARUNACHAL	0.02	0.02	0.01	0.02	0.02	0.00
NAGALAND	0.04	0.06	0.07	0.08	0.05	0.01
MANIPUR	0.33	0.09	0.07	0.32	0.05	0.00
MIZORAM	0.20	0.07	0.09	0.15	0.03	0.00
TRIPURA	0.07	0.26	0.08	0.19	0.08	0.00
MEGHALAYA	0.14	0.04	0.07	0.17	0.05	0.00
ASSAM	1.05	0.52	0.73	1.05	0.57	0.04
NORTH-EAST	1.86	1.07	1.13	2.00	0.86	0.05
REST OF INDIA	98.14	98.93	98.87	98.00	99.14	99.95

VII. Distribution of Small-Scale Enterprises in Secondary and Tertiary Sectors: In the rural areas of Arunachal Pradesh, Meghalaya, Tripura, and Manipur, the secondary sector activities are more prominent (Table-11; Fig.-11). The secondary sector comprises manufacturing, assembling, processing, repair and maintenance activities. On the other hand, the secondary sector is more prominent in the urban areas of in Nagaland, Mizoram and Sikkim. In other states urban and rural areas balance in matters of the secondary sector activities in the Small-Scale enterprises. Tertiary sector activities (services) are more prominent in the urban areas than in the rural areas. However, in Meghalaya, Assam and Manipur, the service sector also has a significant presence in the rural areas. In Arunachal Pradesh, Mizoram, Sikkim and Nagaland, the tertiary sector activities of the small-scale enterprises are rather subdued.

Fig.-11: Sectoral Structure of Small-Scale Enterprises in the NER

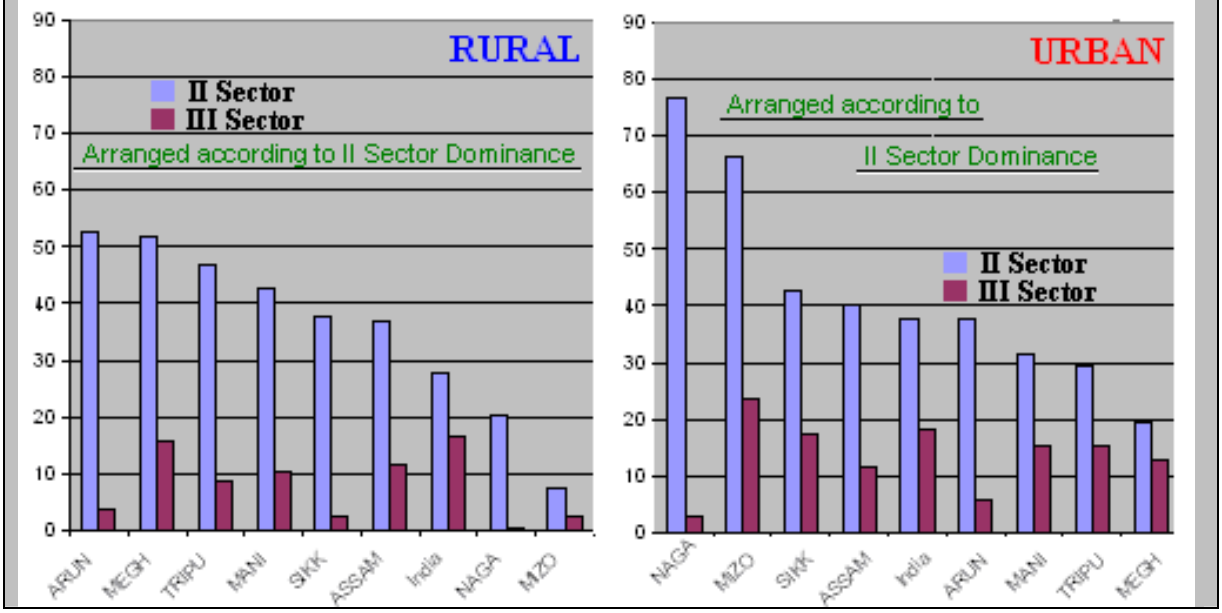


Table-11: Percentage Distribution of Number of Units by Nature of Activity

State/ India	Rural			Urban			Total
	Mfg/ Assembly/ Processing	Repairing/ Maintenance	Services	Mfg/ Assembly/ Processing	Repairing/ Maintenance	Services	
SIKKIM	37.57	0.00	2.31	41.62	1.16	17.34	100
ARUNACHAL	52.16	0.39	3.92	35.69	1.96	5.88	100
NAGALAND	19.58	0.71	0.35	72.13	4.41	2.82	100
MANIPUR	42.18	0.50	10.31	30.46	1.09	15.46	100
MIZORAM	7.43	0.11	2.27	65.08	1.28	23.83	100
TRIPURA	45.30	1.36	8.66	28.71	0.63	15.34	100
MEGHALAYA	51.60	0.36	15.79	18.73	0.57	12.95	100
ASSAM	35.99	0.70	11.61	38.97	1.13	11.60	100
All-India	27.07	0.82	16.44	36.38	1.28	18.01	100

VIII. The Output Profile of Small-Scale Enterprises in the NER: Most of the SSI enterprises in the North-Eastern Region are based on traditional or agriculture/forestry

inputs. Among the forest-based units sawn timber, wooden furniture, sleepers and poles, and cane furniture are important. Among the agro-based enterprises, production of molasses, rice processing and milling are important. Poultry and chicken rearing is another activity. Enterprises producing cotton, woolen, silk and nylon clothes with or without embroidery work also are numerous. Beyond these, concrete works and iron grills, gates, and wire nets also are produced by many enterprises. Detailed list of various major enterprises concentrated in different states, their number, fixed assets, gross output and employment are given in Table-12(A) and Table-12(B).

Enterprises do not always produce a single output. Particularly in Nagaland more than 3/4th of the total number of small-scale enterprises produce more than one output. On the other hand, in Sikkim, Tripura and Assam more than 70 percent of the SSI units produce a single output, much like in the nation. In Meghalaya and Mizoram more than 50 percent of SSI units produce a single output. While specialization in producing a single output has many advantages, multi-output units have much more resilience and adaptability to dynamic market conditions. The distribution of SSI units according to multiplicity or otherwise of produce is given in Table12(C). Many enterprises specialize in ancillary and SSSBE products. Their state-wise distribution is given in Table-12(D).

Table-12(A): STATES HAVING 500 OR MORE UNITS PRODUCING THE SAME PROD/SERVICE (UNREGD. SSI SECTOR)

State	Product	No. of Units	Fixed Asset (Rs)	Gross Output (Rs)	Employ ment (no)
Assam	Molasses	4008	52253262	358386775	15022
Assam	Embroidery clothes	1286	18639750	17568500	1286
Assam	Nylon Shirts & Pants	501	10015000	47884219	2003
Assam	Concrete Products	501	4006000	35052500	1002
Manipur	Chicken Live	1255	70294946	124658107	2556
Manipur	Wooden Sleepers & Poles	1130	97185734	10961647	1130
Manipur	Sculpture	514	4623000	34415667	1541
Nagaland	Sawn Timber	910	68775200	206752000	5460
Meghalaya +Assam jointly	Cane Furniture	4052	36504250	188060750	8731

In addition to this, there are more than 500 units each of rice milling, grill gate, fabrication, tailoring, and gold ornaments & jewellery in Assam; rice milling, wooden furniture & fixture, and embroidery work in Manipur; and wooden furniture and fixture in Nagaland as well as Meghalaya, for which details are not available.

Table-12(B): DISTRICTS HAVING 100 OR MORE UNITS PRODUCING THE SAME PROD/SERVICE (REGD. SSI)

State	District	Product	No. of Units	Fixed Asset (Rs)	Gross Output (Rs)	Employ-ment (no)
Assam	Kamrup	Grill Gate	229	37013235	85764007	1127
Assam	Kamrup	Cotton Garments Knitted	158	9591669	41697916	760
Assam	Kamrup	Iron/Steel Wire-Nets	185	31591478	62673310	954
Assam	Nagaon	Rice & Other Preparations	193	47018415	29768854	501
Assam	Nagaon	Rice milling	126	21223233	16809173	303
Assam	Sonitpur	Rice Raw Excel. Basmati	167	30421560	85880376	528
Assam	Lakhimpur	Wooden Furniture & Fixture	103	5553609	12662423	392
Manipur	Imphal West	Wooden Furniture & Fixture	168	9291148	38484529	641
Manipur	Imphal West	Wooden Almirah Cabinet, Cupboard	164	11563196	33107274	736
Manipur	Imphal West	Rice Raw Excel. Basmati	121	9467272	17813726	402
Manipur	Ukhrul	Woolen Cardigans, Sweaters, etc	101	4176000	7239643	401
Mizoram	Aizawl	Wooden Furniture & Fixture	135	23129543	35647918	559

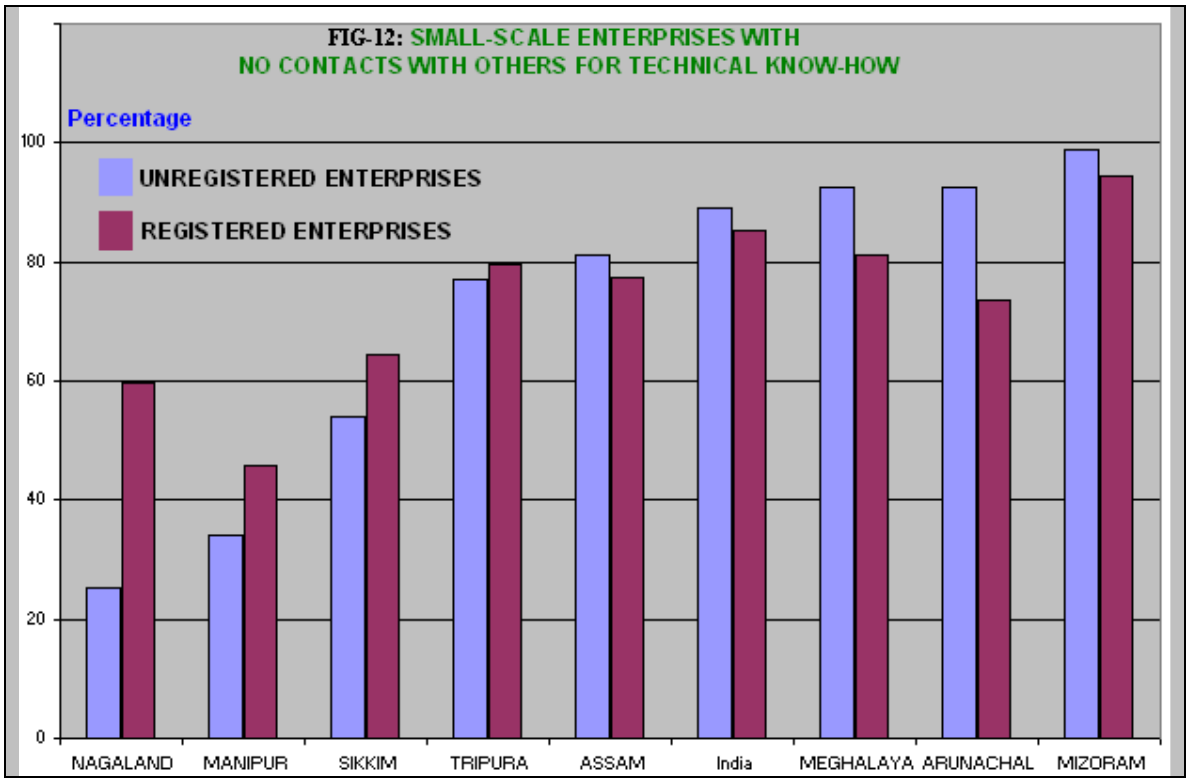
TABLE-12(C): PROFILE OF REGD UNITS HAVING MULTIPLE PRODUCTS/SERVICES.							
State	Percentage number of regd. units producing						Total
	1_Product/ Service	2_Products/ Services	3_Products/ Services	4_Products/ Services	5_Products/ Services	Not Recorded	
SIKKIM	85.63	10.92	2.87	0.00	0.00	0.57	100.00
ARUNACHAL	42.35	21.57	11.76	8.24	15.29	0.78	100.00
NAGALAND	22.54	22.01	23.94	15.49	14.96	1.06	100.00
MANIPUR	48.99	22.31	20.20	5.74	1.22	1.54	100.00
MIZORAM	66.19	16.90	11.56	2.96	1.43	0.95	100.00
TRIPURA	72.68	14.70	9.28	1.88	0.42	1.04	100.00
MEGHALAYA	57.81	14.65	15.52	9.49	1.96	0.57	100.00
ASSAM	71.87	17.25	5.99	1.41	0.44	3.03	100.00
All INDIA	84.76	9.48	2.74	0.73	0.25	2.05	100.00

TABLE-12(D): STATE-WISE DIST. OF NO. OF REGD. UNITS BY TYPE OF UNIT							
State	SSI	Ancillary among SSI	SSSBE	State	SSI	Ancillary among SSI	SSSBE
ALL INDIA	901291	45826	473683	MIZORAM	2020	67	713
SIKKIM	139	2	35	TRIPURA	730	18	229
ARUNACHAL	230	4	25	MEGHALAYA	1382	7	557
NAGALAND	550	105	18	ASSAM	11098	89	3355
MANIPUR	3414	42	1185	North-East	19563	334	6117
SSSBE = Small Scale Service and Business (Industry-related) Enterprises							

IX. The Input Profile of Small Enterprises in the NER: It has been mentioned before that most of the small enterprises in the North-Eastern Region are based on processing the raw materials obtained from agriculture, animal husbandry and forestry or traditional inputs such as cotton, wool, silk and nylon fabrics, iron and steel, cement, etc., in which the production technology is well-known. Therefore, they do not need much of technological collaboration. Except in Sikkim and Manipur where traces of foreign contacts for technology is found, the SSI enterprises in other states have nothing to do with such contacts (Table-13(A) and Table-13(B)).

Table-13(A): Utility of Technical Know-how in Unregistered SSI Sector (percentage)											
State/ India	Abroad	Domestic Collab. Co/Units	DRD/ ISO	None	Total	State	Abroad	Domestic Collab. Co/Units	DRD/ ISO	None	Total
All-India	0.67	5.58	4.84	88.91	100	MIZORAM	0.64	0.00	0.67	98.69	100
SIKKIM	0.00	0.00	45.88	54.12	100	TRIPURA	0.12	0.29	22.44	77.15	100
ARUNAL	0.00	0.00	7.32	92.68	100	MEGHA	0.00	1.84	5.72	92.44	100
NAGA	0.00	65.64	9.03	25.32	100	ASSAM	0.10	12.00	6.62	81.27	100
MANI	1.33	17.57	47.02	34.07	100	DRD/ISO=Domestic R&D Institutions/Special Agency/Organization					

Table-13(B): Utility of Technical Know-how in Registered SSI Sector (percentage)											
State/ India	Abroad	Domestic Collab. Co/Units	DRD/ ISO	None	Total	State	Abroad	Domestic Collab. Co/Units	DRD/ ISO	None	Total
All-India	0.97	7.54	6.11	85.38	100	MIZORAM	0.51	2.23	2.93	94.33	100
SIKKIM	1.15	3.45	31.03	64.37	100	TRIPURA	0.83	2.19	17.31	79.67	100
ARUNAL	0.39	7.84	18.04	73.73	100	MEGHA	0.88	9.85	8.15	81.12	100
NAGA	0.00	25.18	15.14	59.68	100	ASSAM	0.44	10.87	11.33	77.35	100
MANI	0.80	25.59	27.70	45.90	100	DRD/ISO=Domestic R&D Institutions/Special Agency/Organization					



Particularly in Mizoram, Arunachal Pradesh, and Meghalaya about 80 percent or more SSI enterprises do not have any contacts with others for the technical know-how. On the other side, enterprises in Nagaland, Manipur and Sikkim have significant contacts with other units, institutions, research and development agencies and organizations in matters of technical know-how. Unregistered enterprises in these states have shown more interest than the registered enterprises in this matter. In the states where little contacts are made for technical know-how, the unregistered units have kept themselves more isolated. In Fig.-12 we present this picture. Note that interaction with other organizations, agencies, research & development institutions regarding technical know-how is an important determinant of efficiency and profitability.

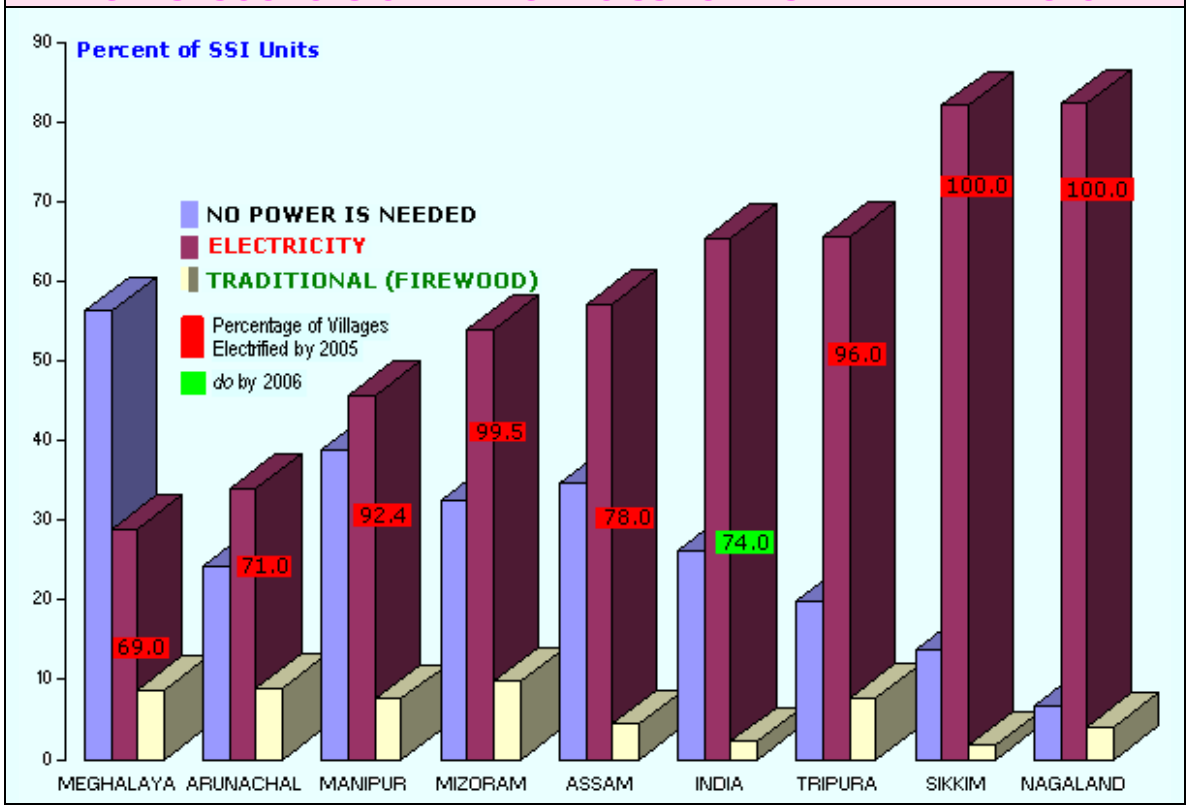
The source of energy used by a production unit is another determinant of productivity and profitability. It is closely connected to the production technology as well. However, constraints on availability of a particular source of energy often determine technology, productivity and profitability.

In Meghalaya more than 50 percent of SSI units do not need any power. The percentage is well above 30 for Manipur, Mizoram and Assam. On the other hand, in Nagaland only 7 percent enterprises do not need any source of non-human energy. More than 80 percent of SSI units in Sikkim and Nagaland use electricity for energy (Table-13(C)). Interestingly, Meghalaya (a power surplus state) presents a case where electricity as a source of energy for running the SSI plants is the least in use. Coal as a source of energy is not so popular; the same is the case of oil (except in case of Arunachal Pradesh) and LPG. Use of the traditional sources (firewood) for energy is generally more prevalent

than the use of coal, oil or LPG. Except in Sikkim, the traditional source (firewood) of energy is quite much in use. This is so due to easy availability of the firewood (Fig.-13). The use of non-conventional sources of energy is only rare.

TABLE –13(C): STATE-WISE PERCENTAGE DISTRIBUTION OF NO.OF UNITS BY MAIN SOURCE OF ENERGY								
State	Percentage No. of Units having Main Source of Energy							Total
	No Power Needed	Coal	Oil	LPG	Electricity	Non Conventional Energy	Traditional Energy/ Firewood	
SIKKIM	13.79	1.72	0.57	0.00	82.18	0.00	1.72	100.00
ARUNACHAL	24.22	1.56	30.47	0.78	33.98	0.00	8.98	100.00
NAGALAND	6.70	2.82	3.53	0.00	82.36	0.53	4.06	100.00
MANIPUR	38.92	2.39	4.98	0.33	45.71	0.11	7.57	100.00
MIZORAM	32.53	0.48	1.76	0.66	54.08	0.73	9.77	100.00
TRIPURA	19.94	4.28	1.57	0.84	65.66	0.00	7.72	100.00
MEGHALAYA	56.29	3.35	1.55	1.13	28.87	0.10	8.71	100.00
ASSAM	34.61	1.44	1.12	0.50	57.12	0.76	4.46	100.00
ALL INDIA	26.23	2.10	2.94	0.53	65.43	0.52	2.26	100.00

FIG.-13: SOURCES OF ENERGY TO SSI UNITS IN THE NE REGION



The extent of rural electrification (percentage of village electrified) is a good measure of availability of electrical power for home consumption as well as industrial purposes. If villages are electrified, towns must be electrifies since electrification of urban areas has always been a priority. However, electrification of villages does not mean availability of regular or assured supply of power. In many cases village electrification is in name only - at the most of a perfunctory relevance, for recording in the annual reports.

Nor it means that the residents of an electrified village really consume electricity or use it as input for productive purposes. In Meghalaya, for instance, only 30 percent of the rural inhabitants use electricity for home lighting, etc. Yet, Meghalaya is renowned as an electricity surplus state.

The details of rural electrification in North-Eastern Region are given in Table-13(D). There is some positive relationship between the extent of rural electrification and the use of electricity as a source of energy to run SSI activities/plants. Meghalaya and Arunachal Pradesh have lower extent of rural electrification and less percentage of SSI units that use electricity as a source of energy. On the other hand, Nagaland and Sikkim have cent per cent village electrification associated with larger percentage of SSI units using electricity for energy. With an increase in the extent of rural electrification the percentage of SSI units depending on firewood (traditional sources) for energy shows a decline. In this way, village electrification conserves the forest resources.

TABLE-13(D): RURAL ELECTRIFICATION IN THE NORTH-EAST INDIA

STATE	Percent Villages Electrified	By the Date	STATE	Percent Villages Electrified	By the Date
SIKKIM	100.0	31.03.2005	TRIPURA	96.0	31.03.2005
ARUNACHAL	71.0	31.03.2005	MEGHALAYA	69.0	31.03.2005
NAGALAND	100.0	31.08.2005	ASSAM	78.0	31.03.2005
MANIPUR	92.4	31.03.2005	INDIA	74.0	30.05.2006
MIZORAM	99.5	31.03.2005	Source: Rural Electrification Corporation Ltd. Govt. of India		

X. Khadi, Handloom and Handicrafts in the North-Eastern Region: Khadi industries encompass cotton, woolen and silken yarns and textiles. These industries also produce honey, soaps, etc. The status of this industry in the NER may be summarized in the Table-14(A) given below.

Table-14(A): Production and Employment in Khadi Sector in the NE Region

State	Production (Rs. Lakh)					Employment (Lakh workers)				
	1989	1998	1999	2002	2003	1989	1998	1999	2002	2003
SIKKIM	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ARUNACHAL	0.13	86.24	35.91	217.13	317.88	NA	0.01	NA	0.01	0.01
NAGALAND	163.90	1946.13	1816.92	4229.41	4583.94	0.04	0.19	0.19	0.28	0.30
MANIPUR	1290.59	2978.57	4457.27	5512.45	5997.52	0.32	0.42	0.42	0.58	0.62
MIZORAM	80.53	2085.46	2412.76	NA	NA	NA	0.12	0.15	NA	NA
TRIPURA	1324.20	1245.46	1186.89	1825.47	2235.29	0.44	0.27	0.23	0.28	0.28
MEGHALAYA	380.03	1411.87	1202.98	3330.60	3100.46	0.06	0.13	0.11	0.23	0.25
ASSAM	1411.90	4066.55	4379.30	8179.00	7476.00	1.10	1.11	1.25	0.11	0.11
NER	4651.28	13820.28	15492.03	23977.07	26452.78	1.96	2.24	2.35	2.85	2.97
INDIA	16872.20	451930.93	511237.46	NA	NA	42.87	56.27	58.29	NA	NA

The NER has the highest concentration of household units in the Handloom sector in the country and more than 50% of weavers belong to the NER states. It is a heavily labour intensive industry. A substantial part of the handloom industry falls in the unorganized sector and the data available on the profile of this sector are somewhat soft.

The Annual Report 2002-03 Ministry of Textiles, Govt. of India observed that handicrafts have a special significance in the country's economy. They generate a sizeable employment and bring in foreign exchange through exports. Estimates based on the population Census, National Sample Survey, NCAER survey and other studies and information available for the unorganized cottage industry sector reveal that the annual growth rate of employment (both direct and indirect) in the handicrafts sector could be around 2.5%. Based on this, it is estimated that during the 9th Five Year Plan, employment in the handicrafts sector increased from 52.92 lakhs in the year 1997-98 to 56.99 lakhs in 2000-2001 and was estimated to reach 58.41 lakhs by the end of 9th Plan i.e. 2001-2002. Out of the total work force in this sector, women constitute 46.8 percent, SC/ST 37.11 and minority 23.89 percent.

Table-14(B): Profile of Handloom and Handicrafts in the NE RE Region

State	No. of Handlooms 1998			No. of Handicraft Artisans (Lakh)	Production (Rs. Lakh)
	Domestic * Units (No.)	Commercial * Units (No.)	Cloth Produced (1n 1000 meters)	Year: 1999	Year: 1999
SIKKIM	NA	NA	NA	NA	NA
ARUNACHAL	44937	653	279.6	0.02	85.30
NAGALAND	1750	2170	1852.8	0.80	9464
MANIPUR	265302	283808	582874.6	3.92	889170
MIZORAM	41041	5944	3689.0	0.08	593
TRIPURA	95592	23480	35250.0	2.57	6080
MEGHALAYA	11030	575	3430.9	1.02	2581
ASSAM	1251930	201803	74875.0	1.46	782094
NER	1711582	518433	702251.9	889170	2094108

Total (NER) may not tally due to inconsistencies of compilation from different sources; * Source: NEC (2000)

Table-14(C): Handicraft Units and Artisans in the NE Region 1995-96

	Handicraft Units			*Handicraft Artisans*		
	HH	*Non-HH*	*Total*	*HH*	*Non-HH*	*Total*
Sikkim	2169	29	2198	9605	163	9768
Arunachal	4011	33	4044	15539	196	15735
Nagaland	17484	119	17603	79285	593	79878
Manipur	97606	445	98051	378123	1865	739988
Mizoram	2185	28	2213	5127	133	5260
Tripura	77266	109	77375	243726	769	244495
Meghalaya	11360	152	11512	52774	790	53564
Assam	29816	544	30360	97363	3119	100482
NE Region	241897	1459	243356	881542	7628	1249170
India	1425414	29642	1455056	4583562	177624	4761186

http://www.india-seminar.com/2003/523/523%20census.htm : Ameta, H.R. (2003) "Census: Handicraft Artisans – 1995-96" : HH = Household

Handicrafts make a special part of micro and small enterprises. They are different than the enterprises that use machine, specially skilled manpower for operating and maintaining them, and the brute labour force. Handicraft-based enterprises need specially skilled artisans. A number of artisan clusters have been identified in the different states of the North-Eastern region. Those clusters have been described in Table-14(D) and Table-14(E). Those clusters specialize in the different handicraft products.

Table-14(D) : Artisan Clusters in the North-Eastern Region

Clusters can be defined as sectoral and geographical concentration of enterprises, in particular Small and Medium Enterprises (SME), faced with common opportunities and threats which can: (a) give rise to **external economies** (e.g. specialised suppliers of raw materials, components and machinery; sector specific skills etc.); (b) favour the emergence of **specialized technical, administrative and financial services; (c) c**reate a conducive ground for the development of inter-firm cooperation and specialization as well as of cooperation among public and private local institutions to promote local production, innovation and collective learning. Artisan clusters are the localization of artisans in specific spatial pockets.

State	Place	Art/Article
Arunachal	Anini	Textiles Handlooms
Arunachal	Dirang	Textiles Handlooms
Arunachal	Miao	Textiles Handlooms
Arunachal	Sagelee	Textiles Handlooms
Arunachal	Teju	Textiles Handlooms
Arunachal	Toling	Textiles Handlooms
Arunachal	Ziro	Pottery & Clay
Arunachal	Doimukh	Cane & Bamboo
Arunachal	Pasighat	Cane & Bamboo
Arunachal	Tawang	Cane & Bamboo
Arunachal	Itanagar	Wood Carving
Assam	Asharkandi	Terracotta
Assam	Barpeta	Horn & Bone
Assam	Barpeta	Wood Carving
Assam	Cachar	Cane & Bamboo
Assam	Cachar	Grass, Leaf, Reed & Fibre
Assam	Darrnag	Cane & Bamboo
Assam	Dibrugarh	Grass, Leaf, Reed & Fibre
Assam	Dipu	Cane & Bamboo
Assam	Gauripur	Dolls & Toys
Assam	Golaghat	Cane & Bamboo
Assam	Golpara	Pottery & Clay
Assam	Golpara	Terracotta
Assam	Haflong	Cane & Bamboo
Assam	Majuli	Cane & Bamboo
Assam	Majuli	Grass, Leaf, Reed & Fibre
Assam	Nowgong	Cane & Bamboo
Assam	Sibsagar	Cane & Bamboo
Assam	Silchar	Cane & Bamboo
Assam	Tejpur	Cane & Bamboo
Assam	Tejpur	Wood Carving
Manipur	Heirangkhoithan	Metalware
Manipur	Imphal	Dolls & Toys
Manipur	Indpur	Cane & Bamboo
Manipur	Kakching	Cane & Bamboo
Tripura	Agartala	Cane & Bamboo
Tripura	Agartala	Metalware
Tripura	Dhalai	Agarbatti Stick of Bamboo
Tripura	Dhalai	Artistic chappal by hand
Tripura	Dhalai	Bashetaries
Tripura	Dhalai	Bleach/Dye/Print-Sy/,Tex
Tripura	Dhalai	Cane of Bamboo Basketries
Tripura	Dhalai	Earthenware & Pottery
Tripura	Dhalai	Embroidery by hand
Tripura	Dhalai	Furniture & Fixtures
Tripura	Dhalai	Furniture & Fixtures
Tripura	Dhalai	Hand embroidery curtains
Tripura	Dhalai	Lisamphy-Manipur Textiles
Tripura	Dhalai	Miniature Paintings
Tripura	Dhalai	Nakshi Kantha
Tripura	Dhalai	Novelties
Tripura	Dhalai	Printing of cloth by hand
Tripura	Dhalai	Shopping bag/ fancy Items
Tripura	Dhalai	Sital Patti from Cane
Tripura	Dhalai	Tribal Textiles
Tripura	Dhalai	Wood Block Molding Pattern
Tripura	Dhalai	Woolen Garments
Tripura	Dhalai	Zari work by hand
Tripura	Dharamnagar	Cane & Bamboo
Tripura	Kailashahar	Textiles Handlooms
Tripura	Kailashnahar	Metalware
Tripura	Manu	Textiles Handlooms
Tripura	Mohanpur	Wood Carving
Tripura	North Tripura	Agarbatti Stick of Bamboo
Tripura	North Tripura	Bashetaries
Tripura	North Tripura	Earthier & plaster statues
Tripura	North Tripura	Embroidery by hand
Tripura	North Tripura	Furniture & Fixtures
Tripura	North Tripura	Lesainphy Manipuri Textile
Tripura	North Tripura	Printing of cloth by hand
Tripura	North Tripura	Shopping bag/ fancy Items
Tripura	North Tripura	Sital Patti from Cane
Tripura	North Tripura	Tribal Textiles
Tripura	North Tripura	Wood Block Molding Pattern
Tripura	North Tripura	Woolen Garments
Tripura	Sadar	Wood Carving
Tripura	Soonamura	Metalware
Tripura	Soonamura	Textiles Handlooms
Tripura	Soonamura	Wood Carving
Tripura	South Tripura	Agarbatti stick of bamboo
Tripura	South Tripura	Cane of Bamboo Basketries

Manipur	Tamenglong	Cane & Bamboo	Tripura	South Tripura	Earthier ware/pottery
Manipur	Tamenglong	Wood Carving	Tripura	South Tripura	Embroidery by hand
Mizoram	Aizwal	Cane & Bamboo	Tripura	South Tripura	Furniture & Fixtures
Mizoram	Bethleham	Cane & Bamboo	Tripura	South Tripura	Furniture & Fixtures
Mizoram	Bilkhawthlir	Textiles Handlooms	Tripura	South Tripura	Lisamphy Manipuri Textile
Mizoram	Champhal	Textiles Handlooms	Tripura	South Tripura	Printing of cloth by hand
Mizoram	Chite Veng	Cane & Bamboo	Tripura	South Tripura	Shopping bag/ fancy Items
Mizoram	Gizawl	Cane & Bamboo Furniture	Tripura	South Tripura	Sital Patti from Cane
Mizoram	Gizawl	Finishing Articles	Tripura	South Tripura	Tribal Textiles
Mizoram	Gizawl	Shawls by hand as Artware	Tripura	South Tripura	Wood Block Molding Pattern
Mizoram	Lunglei	Shawls by hand as Artware	Tripura	South Tripura	Woolen Garments
Mizoram	Lunglei	Textiles Handlooms	Tripura	South Tripura	Earthier & plaster statues
Nagaland	Dimapur	Cane & Bamboo	Tripura	South Tripura	Miniature Paintings
Nagaland	Kohima	Cane & Bamboo	Tripura	West Tripura	Agarbatti Stick of bamboo
Nagaland	Kohima	Wood Carving	Tripura	West Tripura	Bleach/Dye/Print-Syn. Textiles
Nagaland	Mokokchung	Cane & Bamboo	Tripura	West Tripura	Cane & Bamboo Basketarces
Nagaland	Mon	Cane & Bamboo	Tripura	West Tripura	Disamphy Manipuri textile
Nagaland	Mon	Wood Carving	Tripura	West Tripura	Earthen & plaster statues
Nagaland	Tuensang	Cane & Bamboo	Tripura	West Tripura	Earthenware & Pottery
Nagaland	Wokha	Cane & Bamboo	Tripura	West Tripura	Embroidery by hand
Sikkim	East District	Miniature Paintings	Tripura	West Tripura	Furniture & Fixtures
Sikkim	East District	Woolen Carpets by hand	Tripura	West Tripura	Leather Artistic Chappals by hand
Sikkim	Gangtok	Metalware	Tripura	West Tripura	Pactra-Tribal jentiles
Sikkim	North District	Blankets	Tripura	West Tripura	Printing of cloth by hand
Sikkim	North District	Woolen Carpets by hand	Tripura	West Tripura	Shopping bag/ fancy Items
Sikkim	South District	Cane of Bamboo Basketries	Tripura	West Tripura	Sital Patti from Cane
Sikkim	South District	Woolen Carpets by hand	Tripura	West Tripura	Wood Furniture & Fixtures
Sikkim	Thingachin	Wood Carving	Tripura	West Tripura	Woolen Garments
Sikkim	West District	Woolen Carpets by hand	Tripura	West Tripura	Zari work by hand

Source: http://web5.laghu-udyog.com/clusters/clus/ovrclus.htm Office of Development Commissioner (MSME), Ministry of Micro Small & Medium Enterprises, Govt. of India, at http://www.smallindustryindia.com

Table-14(E): Artisan Clusters for Various Articles in Different States of the NE Region

Sl no	Article	Clusters	Sl no	Article	Clusters
1	Agarbatti Stick of Bamboo	Tripura(2)	26	Grass, Leaf, Reed & Fibre	Assam(3)
2	Artistic chappal by hand	Tripura(1)	27	Hand embroidery curtains	Trpura(1)
3	Bashetaries	Tripura(2)	28	Horn & Bone	Assam(1)
4	Blankets	Tripura(1)	29	Leather Artistic Chappals by hand	Tripura(1)
5	Bleach/Dye/Print-Sy/,Tex	Tripura(2)	30	Lesamphy Manipuri Textile	Tripura(3)
6	Cane & Bamboo	Arunachal(3), Assam(1), Manipur(3), Mizoram(3), Nagalnd(6), Tripura(2)	31	Metalware	Manipur(1), Sikkim(1), Tripura(3)
7	Cane & Bamboo Basketries	Tripura(3), Sikkim(1)	32	Miniature Paintings	Sikkim(1), Tripura(2)
8	Cane & Bamboo Furniture	Mizoram(1)	33	Nakshi Kantha	Tripura(1)

9	Disamphy Manipuri textile	Tripura(1)	34	Novelties	Tripura(1)
10	Dolls & Toys	Assam(1), Manipur(1)	35	Pactra-Tribal jentiles	Tripura(1)
11	Agarbatti Stick of Bamboo	Tripura(2)	36	Pottery & Clay	Arunachal(1), Assam(1)
12	Artistic chappal by hand	Tripura(1)	37	Printing of cloth by hand	Tripura(4)
13	Bashetaries	Tripura(2)	38	Shawls by hand as Artware	Mizoram (2)
14	Blankets	Tripura(1)	39	Shopping bag/ fancy Items	Tripura(4)
15	Bleach/Dye/Print-Sy/,Tex	Tripura(2)	40	Sital Patti from Cane	Tripura(4)
16	Cane & Bamboo	Arunachal(3), Assam(1), Manipur(3), Mizoram(3), Nagalnd(6), Tripura(2)	41	Terracotta	Assam(2)
17	Cane & Bamboo Basketries	Tripura(3), Sikkim(1)	42	Textiles Handlooms	Arunachal(6), Mizoram(3), Trpura(3)
18	Cane & Bamboo Furniture	Mizoram(1)	43	Tribal Textiles	Tripura(3)
19	Disamphy Manipuri textile	Tripura(1)	44	Wood Block Molding Pattern	Tripura(3)
20	Dolls & Toys	Assam(1), Manipur(1)	45	Wood Carving	Arunachal(1), Assam(2), Manipur(1), Nagaland(2), Sikkim(1), Tripura(3)
21	Earthen & plaster statues	Tripura(3)	46	Wood Furniture & Fixtures	Tripura(1)
22	Earthenware & Pottery	Tripura(3)	47	Woolen Carpets by hand	Sikkim(4)
23	Embroidery by hand	Tripura(4)	48	Woolen Garments	Tripura(3)
24	Finishing Articles	Mizoram(1)	49	Zari work by hand	Tripura(2)
25	Furniture & Fixtures	Tripura(6)	Source: http://web5.laghu-udyog.com/clusters/clus/ovrclus.htm		
Based on UNIDO Artisan Clusters in India, Office of Development Commissioner (MSME), Ministry of Micro Small & Medium Enterprises, Govt. of India, at http://www.smallindustryindia.com: Re-organized by the author					

XI. Performance of Micro & Small Enterprises in India: Collection of data by institutions as well as individual researchers often follows the prevailing conceptual schema. The categorization of enterprises into small or large scale entities and looking at them merely as a part of the macro-level concept of 'industry' in India generated information in the last 6 decades that may give us only a blurred vision of the problems and prospects of small enterprises in the country. India has had a long tradition of classifying manufacturing and service activities under the generic name of 'industries.' In this scheme of classification, we have large-scale industries, heavy industries, capital goods industries, consumer goods industries, small-scale industries, Khadi industries, cottage industries, agro-based industries and so on. Of late, some paradigm change has occurred. Micro, Small and Medium Enterprises Development Act (MSMED), 2006 introduced the concept of 'enterprises' against the earlier concept of 'industries'. These 'enterprises' have been classified under two major heads that relate to manufacturing and services. In each of these categories, enterprises have further been classified on the criterion of investment as micro, small and medium, described in Table-15(A). It may be noted the Act defined a 'medium' enterprise for the first time in India. Earlier, 'industries' were under the 'small-scale' or the 'large-scale' category. This new

classification provides a scope to formulate specific policies for the promotion, development and control of enterprises of different sizes in the two sectors (manufacturing and service). Further, industry-wise classification scheme has also been problematic if an enterprise turned out multiple products, which is very frequent in the small enterprises sector. It may also be borne in mind that "*the prime importance of small firms, as a sector, is not just in remaining small … but in providing a seedbed for enterprise and ideas and as a launching pad for growth.*" Waite (1973).

Table-15: Classification of Enterprises According to MSMED Act, 2006

Investment Limits	Manufacturing Enterprises			Service Enterprises		
	Micro	Small	Medium	Micro	Small	Medium
Upper limit (Rs. million)	2.5	50.0	100.0	1.0	20.0	50.0
Lower limit (Rs. million)	0.0	2.5	50.0	0.0	1.0	20.0
Nature of Capital Built	Investment in Plant & Machinery			Investment in Equipment		

Traditionally, the small enterprises sector included service enterprises in the form of Small Scale Service and Business (industry-related) Enterprises or the SSSBEs, with investment in fixes assets (excluding land and building) of Rs. 1.0 million or less. A list of activities was also there to define and illustrate the nature of SSSBEs. The MSMED Act, 2006 not only enhanced the upper limit of investment in service enterprises, it also enlarged the scope of activities of the micro/small/medium enterprises (MSMEs).

Based on the data collected through various Census and Surveys on small scale industries before, it has been estimated that in the year 2005-06 Micro & Small Enterprises (MSEs) sector has some 1.87 million registered and 10.47 million unregistered enterprises that employ about 2.9 million persons and produce about Rs. 2776.68 thousand millions (at constant prices, 1994, or Rs. 4762.01 thousand millions at current prices) worth of goods and services. It contributes about 39 percent of the national manufacturing sector output and roughly 34 percent of exports. The MSE sector is growing much faster and consistently in comparison to the overall industrial sector of the country. A synoptic view of the performance of MSE sector may be obtained from Table-15(B) and Table-15(C).

Table-15(B): Growth Performance of MSE Sector in India

Year	No. of MSEs (lakh)			Employment (lakh persons)	Production (Rs. crore)	
	Registered	Unregistered	Total		Constant Prices	Current Prices
2001-02	14.89	90.32	105.21	294.33	195613	282270
2002-03	15.91	93.58	109.49	260.21	210636	311993
2003-04	16.97	96.98	113.95	271.42	228730	357733
2004-05	17.53	101.06	118.59	282.57	251511	418263
2005-06	18.71	104.71	123.42	294.91	277668	476201

Source: Personal Communication with Shri KK Sarkar, Secretary General, Indian Council of Small Industries Kolkata. dated 25.6.2007

Table-15(C): Growth Performance and Share of MSE Sector in GDP & Industrial Production

Performance Indicator (%)	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Share of MSE in the National GDP	6.04	5.77	5.91	5.82	5.81	NA
do in Overall Industrial Production	39.71	39.12	38.89	38.80	38.55	NA
do in Exports	34.47	34.29	34.03	33.49	34.38	NA
Growth rate of MSE Sector	8.23	6.06	7.68	8.59	9.96	10.4
do Overall Industrial Sector	5.0	2.7	5.7	7.0	8.4	8.1

Source: Personal Communication with Shri KK Sarkar, Secretary General, Indian Council of Small Industries Kolkata. on 25.6.2007

XII. Prospects and Constraints of Village and Small Enterprises in the NE Region: What constitutes the constraints and prospects of the village and small enterprise sector in its evolution into the engine of economic development (Harper, 2003) in the NE Region? Perhaps, the most important factors to consider in this regard may be classified under four heads: (i) Social/psychological, (ii) Infrastructural, (iii) Technical/technological, and (iv) Endowment-based. In what follows we will discuss these factors at some length.

(i) *Social and Psychological Factors*: Enterprises to come up require first of all that enough number of entrepreneurs should be there. What makes an entrepreneur? It is well known that in every living being there are, among many others, two basic instincts: the first to exploit and the second to explore. To copy, imitate, follow and such behaviours are fundamentally exploitative, while to innovate, deviate, etc. are fundamentally explorative. To exploit is to choose the path of least resistance and to explore is to willingly take the bull by the horns. In particular a man from his very moment of birth begins imitating. His body too is an imitation in part. He receives language, manners, codes of conduct, learning, etc by imitation. It is not surprising, therefore, that the exploitative activities make the major part of his behaviour. Adam and Eve were punished for explorative activities. In schools, now, children are punished if they are explorative and deviants from the beaten track. These regularities prevailing in the society go against enterprise. As McClelland (1961) tells us, the child has a chance to achieve higher if in his early life he learned the lesson of exploration from his 'important others' and a need for achievement could be instilled in him. Entrepreneurship comes from risk disposition, a sense of self-worth and the need to self-determine (Brockhaus-1982). However, the societies where traditionalism is a virtue and heresy is shunned, entrepreneurs are less likely to come up.

Voiculescu (2005) in answering the question "What makes an entrepreneur?" puts forth his observations that may be paraphrased as follows. People do not typically switch on being an entrepreneur. Some come from nature, some from nurture. It is hard for people to be taught to be entrepreneurial: they either have it in their genes or in their upbringing or not at all. People cannot be taught to relish risk taking. Imagination is not taught in the classroom. However, some academics believe that education can help to provide those with a spark with at least some of the skills they will need to turn that spark into something more substantive. They hold that it is possible to give aspiring entrepreneurs some insight and help to build their confidence. Although it may not be possible to teach people to have a good idea but one can always be helped to develop inter-personal skills, sales and marketing and general management skills. By training one may be made better prepared to reduce the odds against success. Those academics believe that it is crude to say that people are born entrepreneurs; that early experiences and role models shape them is more of a reality. Being an entrepreneur also has negative aspects to it. Many of them tend to be unable to have and miss out on close relationships and the family life that their fellow beings in the society have. Their focus on the business becomes an obsession, which can be likened to drug addiction. Only a few entrepreneurs actually set out to build big businesses and to attain wealth and, interestingly, money is not a prime motivator. Driessen and Zwart provide a list of characteristics and psychological dispositions of entrepreneurs.

Returning back to the NE Region, it may be noted that traditional culture, handicrafts, and artisans are the main planks on which the possibilities and prospects of entrepreneurial breakthrough for economic development in the region are squarely based. It is believed that a little of (short) training, a write up on the features of different types of enterprises and readiness of financial institutions to liberally support the manufacturing and service ventures would bring about a boom of micro and small enterprises in the region. However, there is a need to distinguish between 'craftsmanship'/ 'artisanship' and 'entrepreneurship'. Craftsmanship is rooted in the 'instinct of workmanship' to use the phrase of Veblen (1898-99; 1914). On the other hand, entrepreneurship and the success of enterprise depend on the 'predatory prowess'. To quote Veblen (1898-99): "*As the predatory culture reaches a fuller development, there comes a distinction between employments. The tradition of prowess, as the virtue par excellence, gains in scope and consistency until prowess comes near being recognized as the sole virtue. Those employments alone are then worthy and reputable which involve the exercise of this virtue. Other employments, in which men are occupied with tamely shaping inert materials to human use, become unworthy and end with becoming debasing*." SAAP Annual Conference (2007) describes how the predatory prowess uses sabotage as a means to power or control on the creative instincts of craftsmen. Srinath (2002) observes: for the craftsman, it is a struggle to grow up. His aversion to structure, his preference for personalized relationships and his reluctance to accept constructive criticism makes growth, with its implicit need for a more sophisticated infra- and supra-structure and greater decentralization, increasingly difficult to handle. Hoarding of information, inconsistencies in day-to-day interpretation of company policies, playing favourites and refusal or reluctance to let people really know where they stand do not contribute to an efficient and effective organization. Mediocrity thus becomes an established norm. While the craftsman tends to create a rigid enterprise, the opportunistic entrepreneur creates an adaptive organization. A more drastic type of change is thus needed for `craftsmen' for continued growth and success of the enterprise.

To those who are akin to the socio-economic conditions in the NE region it is a commonplace that in spite of great talents in art and craftsmanship, the region lacks in the prowess that is germane to development of entrepreneurship. Entrepreneurs, whether of local origin or the migrants to the region, live under the fear of extortion, disruption, and 'bandhs' or shutdown of all activities, including movements (Sachdeva, 1976), often called on by the one or the other union/association, and readily observed by the mass either for fear or for the bonus of a pleasant no-work day. A successful entrepreneur is soon subjected to the envious forces. "A house may be large or small; as long as the surrounding houses are equally small it satisfies all social demands for a dwelling. But if a palace rises beside the little house, the little house shrinks into a hut." writes Lipset (1960, p. 63) quoting Marx. Houses shrinking into huts prepare an emotional background for such 'bandhs'. These disruptions and obstructions raise the cost of production. That explains why the region has been experiencing a capital flight and exodus, material as well as human, now for decades. Education given to the students prepares them, at its most, to some 'unproductive' service sector; jobs in the Government, or the academia. A treasure of funds is poured in by the Government of India every year plus every now and then to help the people in the region to develop. There are other sources of money too.

Easy money, especially in the hands of the youth and a section of the privileged people has turned them to consumerism. However, all these things go against entrepreneurship. Unless this scenario is altered, entrepreneurial development in the region is a far cry. These observations may appear to be pessimistic, but the ostrich cannot evade adversities by closing his eyes to them.

(ii) *Infrastructural Factors*: Means of transportation and communication, availability of power, market, financial institutions, training institutes, etc. together make the infrastructure that facilitate the feasibility of productive activities and therefore, entrepreneurial activities too. Unfortunately, the North Eastern Region has a less developed transportation system, largely due to its topographical features. In the dawn of freedom in 1947 the erstwhile India was divided into India (present) and Pakistan. East Pakistan (now Bangladesh) was carved out from the North East. As a result, the transportation system was most severely affected and the present North East India was reduced to an almost 'unconnected' part of the nation. Over the years the transport system in the NER and its connectedness to other parts of the country have improved significantly, but even today the condition is not very satisfactory. Transportation bottlenecks increase the time and pecuniary cost of production, leading to cost disadvantages in the competitive market. The local markets for material, labour and produce are less developed, less connected and less competitive. Villages have been largely electrified, but in want of productive activities, low income, weak product markets and availability of traditional sources of energy almost freely, electrification has not been much effective. There are training institutions, Industrial Training Institutes for instance, but the preference of the people - the students and their parents - is for the general academic courses in colleges and universities. The observation of Veblen, that *employments, in which men are occupied with tamely shaping inert materials to human use, become unworthy and end with becoming debasing,* is well supported in the preference of people against training in the industrial training institutes. These facts are important in planning for the promotion of MSEs in the region.

(iii) *Technical-cum-Technological Factors*: While discussing the involvement of research and development institutions, agencies, etc. it has been mentioned earlier that about 80 percent or more among the small scale industrial units in Mizoram, Arunachal Pradesh, and Meghalaya do not have any contacts with others for the technical know-how. On the other side, enterprises in Nagaland, Manipur and Sikkim have significant contacts with other units, institutions, research and development agencies and organizations in matters of technical know-how. This is likely to be true of micro and small enterprises also since these enterprises were earlier included under the head of small-scale industries, whether registered or unregistered. Contacts for technical know-how are necessary for process and product development, which has direct bearing on marketability, cost and profit. The reasons for a lack of adoption of new technical know-how are numerous. Lack of awareness, need to review the possibilities of cost reduction and product development, non-traditional attitude to one's own trade, financial soundness needed for adoption of new techniques, willingness to learn new skill, etc are some major ones among them. The lack of adoption of new techniques of production has lead to lower productivity in the MSE sector. It has been mentioned earlier that these enterprises employ about 3.12

percent of workers, but produce barely 1.77 percent of output in the nation. Thus the labour productivity of this sector in the region is only 57 percent of that in the nation. Capital investment in the NER small enterprises is only 1.54 percent of that in the nation. Adoption of improved methods will necessarily be more capital intensive, but would increase labour productivity and profitability of enterprises. It has been observed that the rate of closure of rural enterprises is more frequent in the NE region than that in India. In many NE states this is true of the urban enterprises also. The largest number of artisan clusters together with the highest frequency of closure of SSI units in Tripura is intriguing. Sickness and closure can greatly be reduced by technical-cum-technological improvements. The Government has recently formulated a programme to address the problems of technology, marketing and skill upgradation in the MSE sector.

(iv) *Endowment based Factors*: The North Eastern Region has comparative advantages in forest, horticulture and floriculture based products. It is a home to a variety of rare flowers that has a great value in the domestic as well as the foreign markets. If small enterprises venture into these industries, use proper technical and technological know-how, care for proper processes of preservation, packaging and marketing, advertise for their products at home and abroad, consider the value of communication and turn to professionalism by all means, they would certainly make a dent. Woodcarving and artworks are equally lucrative. The dexterity of women, if properly trained, together with the climatic advantages can make electronic gadgets-making enterprises very successful in many states of the Region. Enterprises rendering educational services can thrive in many states.

Besides what has been elaborated above, financial and institutional factors also have a bearing on the success of micro and small enterprises. The MSMED Act, 2006 has provided for a statutory National Board with wide and balanced representation of all stakeholders in MSMEs to advise and recommend policies. The Act also provides for administration of special funds for the MSMEs, statutory assurance of progressive credit policies, preference to micro and small enterprises in Govt. procurement, policies to counter the problems of delayed payments to the MSEs , etc. Khadi and village Industries Commission Act has been comprehensively amended to facilitate professionalism in Khadi and village enterprises sector. The Govt. has also formulated a promotional package, which includes measures to address most of the problems relating to infrastructure, technology, marketing, capacity building and support to women entrepreneurs. The Govt. has announced a policy package for stepping up credit to SMEs. In this package the public sector banks have been advised to fix their own targets of credit delivery to SMEs in order to achieve a minimum 20 percent year-on-year growth. The Small Industries Development Bank of India (SIDBI) has been set to work on performance and credit rating of small enterprises and to take necessary steps to help MSEs by cluster development. Micro and small enterprises should take advantage of these opportunities for making the NE Region a hub of productive activities.

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