

Current Status of Entrepreneurship Development in Haryana

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Abstract:

This paper exposed the current status of entrepreneurship development in Haryana on the bases of year 2021-22. The results are analysed using percentage method. This paper uncovered the facts that Haryana entrepreneurs are looking for business prospects in micro-scale businesses. In Haryana, men are outpacing women entrepreneurs in terms of MSME unit establishment. Due to the location in the Delhi NCR region, entrepreneurs favour service-based businesses. Information broken down by category wise showed that entrepreneurs in general category were more interested in establishing company units. The most advantageous business units are micro level MSME units, which fall under the proprietorship type of business classification. In Haryana, business owners favoured the MSME units with an initial investment requirement of less than Rs. 50 lakhs. Less investment required by MSME business units has led to lower turnover, which has been seen most frequently during the study period.

Keywords: *Entrepreneurship Development, MSME's, Business Units, Current Status, Haryana Entrepreneurship.*

Introduction

Subsequently its origin in 1966, in a span of over 56 years, the state of Haryana has sustainably transmuted from an agriculture economy to a well-rounded economy with a service based economy. The Territory of Haryana is the place that is known for rich culture and agricultural prosperity. It is bordered by Rajasthan in South, Punjab in West, Himachal Pradesh in North, Uttar Pradesh in East. Contiguous the national Capital, Delhi, surround by three sides by Haryana state. It having an area of 44,212 sq. km with an area wrapped 1.3% of the country.

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The Haryana Government committed in establishing a vibrant business climate. Though Haryana is geographically a small State, the contribution of the State to the National Gross Domestic Product at constant (2011-12) prices has been estimated as 3.8% as per Quick Estimates of 2019-20. However, the spread of Covid-19 posed the most formidable economic challenge to Indian economy as well as Haryana state.

Entrepreneurship Development in Haryana State

The state will have a number of strengths on which to build, including an improving business environment, a thriving policy & regulatory environment and a huge derived demand from sectors like construction. Supported by a considerable locational advantage with 57 percent area falling within the NCR with 21 national highways (2482 kms of length), key rail routes covering the State and its traditional natural resource strengths (cotton, rice, fisheries), state's industrial sector and specifically its manufacturing and MSMEs is strongly positioned in creating a strong footprint on the national manufacturing landscape.

As in 2016, Haryana was close to 90,000 MSME's with major concentration around automobile, textiles, food & beverages and engineering. The manufacturing MSME scale in the state comprises both medium enterprises (In places such as Faridabad, Panipat and Gurgaon) along with a large number of traditional micro and small enterprises (mainly in districts such as Ambala, Kaithal, Panchkula, Karnal and Rohtak, etc.)

With big-ticket industrial projects, like Amritsar-Kolkata Industrial Corridor, Delhi-Mumbai Industrial Corridor, and Kundli-Manesar-Palwal, augmentation of ease-of-doing-business infrastructure capacities will have to be the top priority so as to leverage the benefits from accumulations. On the policy front, the Haryana Enterprise Promotion Policy-2015, has laid out a transformational roadmap for industrial growth of Haryana with MSME's as focal point of strategic involvements. The state has also laid emphasis on focus sectors for the state such as scientific instruments, metal, plywood, light engineering and textile (as traditional clusters), apparel, footwear and dairy (rural functional clusters) along with textiles and food processing (thrust /focus clusters) under The Haryana EPP-2015.

Although the state has envisioned to establish itself as a thriving manufacturing destination, yet the MSMEs in the state suffer from deficiency of reach to markets, finance, technology and infrastructure in addition to lack of policy outreach and awareness amongst the MSME entrepreneur.

On the infrastructure front there is dearth of quality industrial infrastructure with absence of any established tool room to provide support to MSMEs for job works and product innovation

as a glaring gap. In addition to the absence of tool room, there are no common facility centres and optimal capacity common effluent treatment plants in the state. This gap manifests in terms of low technology adoption and upgradation by the MSMEs in the state. The state of industrial agglomerations in the state-Industrial areas/parks and clusters has also been characterized by lack of quality infrastructure, lack of anchor investments and highest concentrations around few districts only. In terms of MSME procurement by CPSUs, Haryana contributes only 7% of total MSME procurement (to the tune of Rs. 41 crores) out of total procurement, in comparison to states like UP and Maharashtra (with 30% and 24% respectively) lending support to how vendor development in Haryana has been largely ignored. Further the demand-supply gap for manpower across unskilled, semi-skilled and skilled categories is high in industrially advanced districts like Gurgaon, Karnal which is touted to increase further between 2017-22. This is expected to be a major stumbling block for growth of MSMEs in Haryana.

Therefore given these strengths and weaknesses, ensuring synergy between these strengths while plugging the gaps will be crucial so as to boost long-term growth and create a vibrant, inclusive and competitive manufacturing sector and MSMEs in Haryana. Based on a detailed diagnostic assessment of MSMEs in the state through a bespoke primary and secondary research methodology, this report identifies the broad categories of interventions for making MSMEs dynamic and promoting priority sector growth. A three pronged approach is adopted to identify the priority sectors based on alignment with central and state government policy push, use regional spatial analytical tool (LQ) and cluster level interventions under the cluster development programme. This also forms the basis of cluster classification into sunrise, growth and mature clusters. The strategic initiatives are focussed around vendor development, cluster development, MSME facilitation & awareness and overall capacity building of the institutional stakeholders. Accordingly, the overall recommendation framework has been delineated and an implementable action map designed over the short term, medium term and long-term in alignment with government's focus and priority area.

In the short term-medium term, government interventions will focus on identification of potential competitive industrial clusters in the state and effecting interventions (hard and soft) in the identified clusters. On the vendor development front, sector focused vendor development programs will be the focus in the short term while strengthening and enabling the vendors in the state will be focus over the medium term. To facilitate MSMEs and build the capacities to DICs, investor awareness and creation of knowledge base for DICs will be the short term focus and capacity building programmes for DICs with institutional reorientation will be taken up in

the medium term. Some of the other important medium term interventions will be innovation consortium and development of quality marking centres to cater to the MSMEs. In the long run, the cluster interventions (hard and soft) will cover all the districts and sector agglomerations and a strong focus will be laid on entrepreneurship development and vendor enablement.

Review of Literature

Initial work of Piore and Sable (1984) provided a strategy outline in their book for small business organisations which indicated that economic development will be more successful where local communities support small-scale business enterprises. Further, Petrin (1992) observed that it is important to build up the critical boost of first generation entrepreneurs of the area to hasten the economic development in rural. In case of employment, Keeble et al. (1992) found that SMEs in rural areas in the United Kingdom have healthier performance than urban in terms of employment progress. Rural progress is mainly connected with entrepreneurship development. Entrepreneurship activities improved the quality of life for individuals, families and communities to achieve the sustainable economy and environment observed by Petrin (1994). Storey (1994) found that policy measures can influence the level of entrepreneurship in a given region. Lyson (1995) indicated the prospects of small-enterprise framework as a possible rural development strategy for the economically deprived communities. External environment in the remote areas presents challenges for SME's exposed by Vaessen and Keeble (1995). Business organisations with premier level of innovative approach were growing in terms of sales and employment (Smallbone and North, 1997). Gavian et al. (2002) have suggested that SME's are conventionally thought of as well poised to respond to the increased demand by creating jobs. Giannetti and Simonov (2003) attempted to exposed the role of individual characteristics, access to capital and institutions, social factors play directive role in the decision to become an entrepreneur. Sherief, (2005) exposed that the determinants of rural entrepreneurship and the environment. Ramalingam and Gayatri (2009) stated that innovation could be used as a strategic instrument for development of entrepreneurship activities. Ganly, Kate and Mair, Johanna (2009) stated that one way to conceptualize the role of social entrepreneurs in social change processes is to view them as institutional entrepreneurs.

In Nigeria also, (Mike Duru, 2011) examined that the economic growth of a country is closely linked with new business organisations. To see the relationship between entrepreneurship and

economic growth, (Abir Mrabet & Abderrazek Ellouze, 2014) studied of the effect of entrepreneurship on economic growth. Further, initiated to investigate this impact across different countries, estimation methods, definitions and dimension of entrepreneurship and economic growth relationship.

From the literature, it can be conveyed that there is a rich studies are available to expose the various aspects of entrepreneurship activities, characteristics and its impact on development of nation or selected region. This study tried to uncover the entrepreneurship activates and current status of entrepreneurs in Haryana state.

Objective of the study: This study mainly focuses on the objective to explore the current status of entrepreneurship development in Haryana state.

Research Methodology: The research is based on descriptive nature and secondary data collected from government official, Department of Industrial Policy and Promotion, Govt. of India, have been used. The analysis is reflected purely via tabulation and percentage method. Current study is based on the data for the year 2021-22.

Results and Discussion:

This section of the paper is explaining the current status of entrepreneurship development activities in Haryana state. Table 01 explain the new MSME units set up during the year 2021-22 in Haryana state. From the information it is observed that maximum 61004 micro units (99.51%) are setup during this period in Haryana followed by small units and medium units. At national level, new MSME units in Haryana state are 3.67%, 4.12% and 2.90% micro, small and medium units respectively.

Level	Haryana	% In Haryana	India	% In India
Micro	61004	99.51	1662584	3.67
Small	293	0.48	7107	4.12
Medium	10	0.02	345	2.90

Source: Department of Industrial Policy and Promotion, Govt. of India

Number of MSME units by activity wise is given in the table 02. Maximum service base MSME units (68.74%) are set up in Haryana followed by manufacturing based MSME units (31.26%). Out of total service based units, micro units are observed maximum in Haryana during the study period.

Level		Haryana	% In Haryana	India	% In India
Micro	Manufacturing	77608	87.77	2295636	92.32
	Services	185625	95.46	5331418	96.42
Small	Manufacturing	9676	10.94	170364	6.85
	Services	8194	4.21	182879	3.31
Medium	Manufacturing	1137	1.29	20734	0.83
	Services	626	0.32	15164	0.27
Total	Manufacturing	88421	31.26	2486734	31.26
	Services	194445	68.74	5529461	68.74

Source: Department of Industrial Policy and Promotion, Govt. of India

MSME Units gender wise set up in year 2021-22 is given in the table 03, exposing that male entrepreneur are higher as comparison with female entrepreneur. Further, it is also found, male entrepreneurs set up maximum micro level units in Haryana during the study period.

Level		Haryana	% In Haryana
Micro	Male	50890	83.01
	Female	9562	15.60
	Other Owned	552	0.90
	Unidentified	0	0.00
Small	Male	256	0.42
	Female	36	0.06
	Other Owned	1	0.00
	Unidentified	0	0.00
Medium	Male	8	0.01
	Female	2	0.00
	Other Owned	0	0.00
	Unidentified	0	0.00

Source: Department of Industrial Policy and Promotion, Govt. of India

In case of social category wise MSME new units set up during 2021-22 in Haryana, it is witnessed, highest MSME entrepreneur are belongs to the general category (67.14%) followed by OBC category (21.75) at all the level of MSME units (table no 04).

Level		Haryana	% In Haryana
Micro	Gen	41164	67.14
	SC	6032	9.84
	ST	475	0.77
	OBC	13333	21.75
	Unidentified	0	0.00
Small	Gen	254	0.41

	SC	7	0.01
	ST	1	0.00
	OBC	31	0.05
	Unidentified	0	0.00
Medium	Gen	8	0.01
	SC	1	0.00
	ST	0	0.00
	OBC	1	0.00
	Unidentified	0	0.00

Source: Department of Industrial Policy and Promotion, Govt. of India

Table 05 exposes the ownership wise MSME units in Haryana during the period 2021-22. From the table is detected most favourable units are micro level MSME units belongs to the proprietorship type business units (75.47%) followed by others types of business units (4.58%) in Haryana. In case of small and medium level MSME units, private limited company type ownership is most preferable.

Table 05: Number of MSMEs by Ownership (2021-22)			
Level		Haryana	% In Haryana
Micro	Proprietary	135626	75.47
	Hindu Undivided Family	662	0.37
	Partnership	8235	4.58
	Co -operative	197	0.11
	Private Limited company	6153	3.42
	Public Limited Company	209	0.12
	Self Help Group	1103	0.61
	Others	17748	9.88
	Limited Liability Partnership	705	0.39
	Society	691	0.38
	Trust	221	0.12
Small	Proprietary	4906	2.73
	Hindu Undivided Family	65	0.04
	Partnership	1439	0.80
	Co -operative	3	0.00
	Private Limited company	1126	0.63
	Public Limited Company	56	0.03
	Self Help Group	2	0.00
	Others	40	0.02
	Limited Liability Partnership	51	0.03
	Society	25	0.01
Trust	11	0.01	
Medium	Proprietary	125	0.07
	Hindu Undivided Family	3	0.00

Partnership	91	0.05
Co-operative	3	0.00
Private Limited company	176	0.10
Public Limited Company	23	0.01
Self Help Group	0	0.00
Others	4	0.00
Limited Liability Partnership	4	0.00
Society	2	0.00
Trust	2	0.00

Source: Department of Industrial Policy and Promotion, Govt. of India

When, we see the results given in the table 06, which exposes the employment offered by MSME units in Haryana during the study period 2021-22.

	Haryana	% In Haryana
Micro	1540864	61.83
Small	627967	25.20
Medium	323356	12.97

Source: Department of Industrial Policy and Promotion, Govt. of India

From the results is found, micro level business units provided maximum employment to the entrepreneurs in Haryana, followed by small and medium type business units. In case of national scope, the picture is reverse during the period.

As per the turnover wise number of MSME registered in Haryana during the period of 2021-22 are displayed in table 07. Maximum MSME units recorded less than Rs. 01 Crore (83.79%) turnover and rest of MSME units covering (16.21%) from Rs. 01 Crore to Rs. 250 Crores.

	Haryana	% In Haryana
< Rs.1 Cr	237020	83.79
Rs.1+ to 2 Cr	13489	4.77
Rs.2+ to 3 Cr	6880	2.43
Rs.3+ to 4 Cr	4499	1.59
Rs.4+ to 5 Cr	3253	1.15
Rs.5Cr+ to 10Cr	7793	2.76
Rs.10Cr+ to 25Cr	6126	2.17
Rs.25Cr+ to 50Cr	2248	0.79
Rs.50 Cr+ to 250Cr	1558	0.55

Source: Department of Industrial Policy and Promotion, Govt. of India

Investment wise number of MSME registered in Haryana during the year 2021-22 is presented in the table number 08. Entrepreneurs in Haryana established maximum (95.78%) those MSME units, where it requires less than Rs. 50 lakhs of investment. It reflects entrepreneurs are setting up only business units require less investment comparatively.

	Haryana	% In Haryana
<= Rs.50 lakhs	270931	95.78
Rs. 50+ to 1 Crore	5260	1.86
Rs.1+ to 5 Crore	5449	1.93
Rs.5Cr+ to 10Cr	746	0.26
Rs.10Cr+ to 25Cr	392	0.14
Rs.25Cr+ to 50Cr	88	0.03

Source: Department of Industrial Policy and Promotion, Govt. of India

Table 09 displayed the district wise MSME registered in Haryana for the year 2021-22. District wise results exposed that Gurugram, Faridabad and Karnal are the frontrunner districts in Haryana for the MSME business units registered. Nuh and Charki Dadri are the far behind in registering the business units.

S. No.	District Name	Total Udyam	Micro	Small	Medium
1	GURUGRAM	51099	46842	3750	507
2	FARIDABAD	46628	43321	2994	313
3	KARNAL	28835	27440	1251	144
4	PANIPAT	27287	25173	1978	136
5	HISAR	24583	23471	1020	92
6	YAMUNANAGAR	19060	18051	973	36
7	SONIPAT	18786	17307	1347	132
8	AMBALA	18238	17429	758	51
9	KURUKSHETRA	16898	16319	557	22
10	SIRSA	15176	14549	575	52
11	KAITHAL	14790	14243	503	44
12	JIND	14681	14127	525	29
13	BHIWANI	13945	13256	644	45
14	ROHTAK	13148	12398	693	57
15	PANCHKULA	11157	10446	659	52
16	JHAJJAR	11118	10223	843	52
17	REWARI	10977	10377	552	48
18	FATEHABAD	10720	10321	369	30
19	PALWAL	9184	8801	356	27
20	MAHENDRAGARH	7841	7550	285	6

21	NUH	6053	5857	188	8
22	CHARKI DADRI	1791	1696	94	1
Total:-		391995	369197	20914	1884

Source: Department of Industrial Policy and Promotion, Govt. of India

On the bases of analysis and results of the study, it can conclude with the finding that in Haryana entrepreneurs are seeking business opportunities in micro level business units. Male entrepreneurs are exceeding in setting up MSME units in Haryana. Service based businesses are highly preferred by entrepreneurs due to the location around Delhi NCR region. Category wise information exposed that general category entrepreneurs more interested in setting up business units. Most favourable business units are micro level MSME units belongs to the proprietorship type business units. Entrepreneurs in Haryana, preferred MSME units which requires less than Rs. 50 lakhs of investment to start operation. MSME business units requires less investment resulted in less turnover are observed maximum for the study period.

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