



ROLE OF GOVERNMENT AND OTHER FUNDING AGENCIES IN THE GROWTH OF MICRO ENTERPRISES IN UTTARAKHAND

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ABSTRACT: Microfinance is the growing sector in India to solve the funding problems of MicroScale enterprises. For the growth and development of these enterprises, the financial assistance and easier & suitable policies of government are the essential players whose role need to be visible. The determination of this study is to examine the role of government and other funding agencies (Banks, SIDBI, NABARD and other finance institutions) in the development of Micro Enterprises in Uttarakhand, State. The study is entirely based on primary data, collected from Micro enterprises of districts of Uttarakhand in the year 2018. Data has been collected through questionnaire to fulfill this objective. Data gathered through questionnaire is structured in closed-end format. 133 Micro respondents were taken as a sample. In constructing the questionnaire, Likert-scale with a five-point rating scale was adopted. Chi square test and descriptive analysis were used to examine the role of government and other institutions. Findings showed the strong evidence that the role of government is satisfactory in the development of Micro Enterprises but the role of banks, Micro Finance Institutions, SIDBI and NABARD are not satisfactory in the development of Micro Enterprises.

KEY WORDS

Government, Micro Finance, Micro Enterprises, Banks, SIDBI, NABARD, Chi square, Likert scale, Descriptive analysis.

INTRODUCTION

In recent years, contribution of Micro, Small and Medium enterprises are noticeable in industrial growth and employment generation in developing countries. The micro and small enterprise sector has been considered vibrant and dynamic segment in India. In Uttarakhand, this sector acts as an engine for the economic growth and contributes considerably in the development of entrepreneurial skills among the people. Government schemes for Micro, Small and Medium enterprises had a considerable and positive impact on the performance of Micro and Small-scale businesses. Government has identified the problems and prospects of them and has taken necessary steps to develop entrepreneurship abilities in them. These initiatives have expanded the performance of micro and small-scale enterprise's operations and encouraged them to continue doing business in a better way. Therefore, it is necessary to identify the role of government and other funding agencies in the development of Enterprises in Uttarakhand, State.

REVIEW OF LITERATURE

Rao, Das and Singh (2016) empirically examined the trends in sectoral allocation of bank credit to the SSI vis-a-vis the non-SSI sector in the post-reform period, to understand the variations in bank credit to the SSI sector across bank groups and also the influence of the size and performance of banks on credit to the SSI sector. The results exhibit that the high incidence of bad loans arising out of SSI advances could be one of the reasons for the declining share of SSI loans of the commercial banks. **Alese and Alimi (2014)** focused on the role of Small and Medium Scale Enterprises (SMEs) funding as a mechanism for the growth of the Nigerian economy from 1980 to 2012. Study revealed that commercial bank loans have considerably improved the economic development of the Nigeria in the long-run, but not important in the short-run. Study suggested that there is a strong need for gigantic funding on research, implementing technical harmony, outsourcing, obtaining required technology and capacity building to improve the existing enterprises. **Akeem (2014)** discussed about the banking sector and the development of small and medium scale enterprises in Osun State. Main objective of the study was to find how SMEs can be developed through the intervention of the banking sector. The empirical finding of the study shows the there is a significant correlation between loans given by all banks and the growth & development of SMEs in Osun State. However the study recommends that the policies of banks need to be flexible enough to accommodate the small and medium scale entrepreneurs and that the financial institutions need to put more effort in financing SMEs

for better results. **Ifeakachukwu and Olasunkanmi (2013)** postulated the impact of bank loan to SMEs in manufacturing sector, Nigeria. The analysis of the study showed that the relationship between bank loans and manufacturing SMEs both in long and short-term loans in Nigeria was not very strong and so on the basis of findings the study has suggested that there is a need for great deliberation and conscious efforts to be put in by the government. It has further recommended moderation in collaterals and interest rates to make it more attractive for the SMEs. **Osayemeh, Maunganidze (2013)** focused on the role of the government on the establishment and development of small and medium enterprises (SMEs) in Zimbabwe. Study identified that a great number of provisions and policies concerning these enterprises are politically motivated and are talk shows, especially when election period is near and agencies created by the government towards SMEs development are not adequately financed by the treasury.

Research Gap

On the basis of above reviews, it can be confirmed that the magnitude and the extent of studies differ. There are quite a number of studies conducted to investigate the growth and development of micro, small and medium scale enterprises individually but most of the studies focused on the causes for the sickness of the sector. The maximum studies are based on the role of microfinance in the development of MSMEs has been discussed at length. *This study however is completely focused role of government policies and practices, NGO's, SHG's Banks, SIDBI, NABARD and other funding institutions on the growth and development of micro scale enterprises of Uttarakhand.*

RESEARCH OBJECTIVES

Following are the main objectives to test under the present chapter:

- 1- To identify the role of government in the development of Micro Enterprises in Uttarakhand.
- 2- To assess the role of banks in the development of Micro Enterprises in Uttarakhand.
- 3- To assess the role of micro finance institutions in the development of Micro Enterprises in Uttarakhand.
- 4- To identify the role of SIDBI and NABARD in the development of Micro Enterprises in Uttarakhand.

RESEARCH HYPOTHESES

Following are the main hypotheses to test under the present chapter:

H₀₁- There is no positive impact of government in the development of Micro Enterprises.

H₀₂- There is no positive impact of banks in the development of Micro Enterprises.

H₀₃- There is no positive impact of micro finance institutions in the development of Micro Enterprises.

H₀₄- There is no positive impact of SIDBI and NABARD in the development of Micro Enterprises.

RESEARCH METHODOLOGY

Present chapter examines the role of government and other funding agencies in the development of Micro Enterprises in Uttarakhand. Primary data is collected through questionnaire to fulfill this objective. Data has been collected from four districts of Uttarakhand; Dehradun, Haridwar, Udham Singh Nagar and Nainital. Data gathered through questionnaire is structured in closed-end format. 133 Micro respondents were taken as a sample. In constructing the questionnaire, Likert-scale with a five-point rating scale was adopted; thus, allowing opinions of respondents to be score their opinion on a scale of 1 to 5. The responses on the questionnaire were restricted to Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree. SPSS software was used for the analysis. Chi square test and descriptive analysis were used to examine the role of government.

INTERPRETATION OF DATA

Table: 1 Micro Enterprises' Profile

Particulars	Frequencies	Percentage
District		
Dehradun	26	19.5
Haridwar	38	28.6
Udham Singh Nagar	41	30.8
Nainital	28	21.1
Total	133	100.0
Gender		
Male	92	69.2

Female	41	30.8
Total	133	100.0
Age		
Less than 3 year	9	10.8
4-6	15	18.1
7-9	28	33.7
Above 10	31	37.3
Total	83	100.0
Employee		
Less than 3	24	18.0
4-7	61	45.9
Above 8	48	36.1
Total	133	100.0
Education		
High School or Below high school	9	6.8
Intermediate	24	18.0
Under graduate	47	35.3
Post graduate	29	21.8
Other	24	18.0
Total	133	100.0
Industry Type		
Food processing unit	21	15.8
Auto parts and components	26	19.5
Chemical, drugs & Pharmaceutical	31	23.3
Cosmetics	15	11.3
Electronic parts	25	18.8
Handicrafts & Handlooms	15	11.3
Total	133	100.0

Interpretation: Table shows the micro enterprises profile for this chapter, in which the respondent firms are classified according to District, Gender, Age, No. of Employees, Employees Education and Industry Type. Maximum respondents are covered from Haridwar, i.e. 30.8% and Dehradun has the least i.e. 19.5. Out of 83 respondents, 69.2% respondents are male and 30.8% respondents are female. 31 firms are more than 10 year old

i.e. 37.3% and on the other hand only 10.8% firms are less than 3 years old. There are 45.9% respondents firms having 4-7 employees and 18% respondent firms having less than 3 employees. Average of employees education shows that 35.3% employees are under graduate and only 6.8% employees are below high school or high school passed. Industry type classification shows that maximum micro enterprises are from chemical drug and pharmaceutical sector i.e. 23.3 % and least micro enterprises are from handicraft and handlooms i.e. 11.3%.

Table: 2Initial Source of Capital

Particulars	Frequency	Percent
Banking financial institutions	57	42.9
Non- Banking financial institution	76	57.1
Total	133	100.0

Interpretation: Above table shows that 42.9 percent micro enterprises depended on the banks and other funding institution for their initial capital and 57.1 percent on non-banking financial institutions in Uttarakhand.

Table: 3Best Organisation for Funding

Particulars	SIDBI	NABARD	Public Sector Banks	Private Banks	Other	Total
Dehradun	2	5	7	11	1	26
Haridwar	3	4	16	11	4	38
Udhamsingh Nagar	5	5	13	11	7	41
Nainital	5	7	10	5	1	28
Total	15	21	46	38	13	133

Interpretation: According to table (3), 46 respondents of Micro Enterprises considered that Public Sector banks are best as a funding institution. 38 respondents considered private sector banks whereas 21 respondents opted NABARD, 15 SIDBI and 13 respondents selected other.

Table: 4 Government Policies and Practices have significantly improved the Standard of Living of Micro Enterprises

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	12	10	26
	% of Total	3.0%	0.0%	0.0%	9.0%	7.5%	19.5%
Haridwar	Count	3	5	3	17	10	38
	% of Total	2.3%	3.8%	2.3%	12.8%	7.5%	28.6%
Udhamsingh Nagar	Count	6	7	3	11	14	41
	% of Total	4.5%	5.3%	2.3%	8.3%	10.5%	30.8%
Nainital	Count	2	6	6	6	8	28
	% of Total	1.5%	4.5%	4.5%	4.5%	6.0%	21.1%
Total	Count	15	18	12	46	42	133
	% of Total	11.3%	13.5%	9.0%	34.6%	31.6%	100.0%

Interpretation: From table 4 it is clear that 31.6 percent respondents strongly agree that government policies and practices have significantly improved the standard of living of Micro Enterprises, 34.6 percent agree and 11.3 percent strongly disagree with the statement. Wherein Udhamsingh Nagar 10.5 percent respondents strongly agree and 4.5 percent strongly disagree with the statement.

Table: 5. The Government provides Facilities that Support the Development and Growth for the Enterprise.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	9	0	4	11	2	26
	% of Total	6.8%	0.0%	3.0%	8.3%	1.5%	19.5%
Haridwar	Count	7	8	4	15	4	38
	% of Total	5.3%	6.0%	3.0%	11.3%	3.0%	28.6%
Udhamsingh Nagar	Count	8	10	3	11	9	41
	% of Total	6.0%	7.5%	2.3%	8.3%	6.8%	30.8%
Nainital	Count	7	5	5	7	4	28
	% of Total	5.3%	3.8%	3.8%	5.3%	3.0%	21.1%
Total	Count	31	23	16	44	19	133
	% of Total	23.3%	17.3%	12.0%	33.1%	14.3%	100.0%

Interpretation: Table 5 shows that 33.1 percent respondents agree with the statement that Government provides facilities that support the development and growth of Micro Enterprises. Whereas 23.3 percent strongly disagree and 17.3 percent disagree with the statement.

Table: 6. Government has taken Adequate Measures to Promote Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	3	3	1	10	9	26
	% of Total	2.3%	2.3%	0.8%	7.5%	6.8%	19.5%
Haridwar	Count	8	11	2	10	7	38
	% of Total	6.0%	8.3%	1.5%	7.5%	5.3%	28.6%
Udhamsingh Nagar	Count	10	7	2	12	10	41
	% of Total	7.5%	5.3%	1.5%	9.0%	7.5%	30.8%
Nainital	Count	4	3	1	9	11	28
	% of Total	3.0%	2.3%	0.8%	6.8%	8.3%	21.1%
Total	Count	25	24	6	41	37	133
	% of Total	18.8%	18.0%	4.5%	30.8%	27.8%	100.0%

Interpretation: From table 6. It is revealed that 30.8 percent respondents agree that government has taken adequate measures to promote Micro Enterprises. 27.8 percent strongly agree and 18.8 percent strongly disagree with the statement.

Table: 7. Government Initiatives related to Development of Entrepreneurship has enhanced the Growth of Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	13	9	26
	% of Total	3.0%	0.0%	0.0%	9.8%	6.8%	19.5%
Haridwar	Count	3	5	3	17	10	38
	% of Total	2.3%	3.8%	2.3%	12.8%	7.5%	28.6%

	Total						
Udhamsingh Nagar	Count	7	8	4	7	15	41
	% of Total	5.3%	6.0%	3.0%	5.3%	11.3%	30.8%
Nainital	Count	3	8	3	8	6	28
	% of Total	2.3%	6.0%	2.3%	6.0%	4.5%	21.1%
Total	Count	17	21	10	45	40	133
	% of Total	12.8%	15.8%	7.5%	33.8%	30.1%	100.0%

Interpretation: Table 7 shows that 33.8 percent respondents agree with the statement that government initiatives related to development of entrepreneurship has enhanced the growth of Micro Enterprises, 30.1 percent strongly agree and 15.8 percent disagree with the statement.

Table: 8. Government Policies have not Encouraged Financial Institutions to Provide Funds to Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	6	0	3	6	11	26
	% of Total	4.5%	0.0%	2.3%	4.5%	8.3%	19.5%
Haridwar	Count	14	3	6	2	13	38
	% of Total	10.5%	2.3%	4.5%	1.5%	9.8%	28.6%
Udhamsingh Nagar	Count	11	5	8	5	12	41
	% of Total	8.3%	3.8%	6.0%	3.8%	9.0%	30.8%
Nainital	Count	6	5	3	6	8	28
	% of Total	4.5%	3.8%	2.3%	4.5%	6.0%	21.1%
Total	Count	37	13	20	19	44	133
	% of Total	27.8%	9.8%	15.0%	14.3%	33.1%	100.0%

Interpretation: Table 8 revealed that 33.1 percent respondents strongly agree, 27.8 percent respondents strongly disagree and 15.0 percent respondents are neutral about the statement that government policies have not encouraged financial institutions to provide funds to Micro Enterprises.

Table: 9. Infrastructural Development by Government does not Foster the Growth of Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	6	4	0	9	7	26
	% of Total	4.5%	3.0%	0.0%	6.8%	5.3%	19.5%
Haridwar	Count	4	14	2	11	7	38
	% of Total	3.0%	10.5%	1.5%	8.3%	5.3%	28.6%
Udhamsingh Nagar	Count	13	10	1	7	10	41
	% of Total	9.8%	7.5%	0.8%	5.3%	7.5%	30.8%
Nainital	Count	4	10	4	4	6	28
	% of Total	3.0%	7.5%	3.0%	3.0%	4.5%	21.1%
Total	Count	27	38	7	31	30	133
	% of Total	20.3%	28.6%	5.3%	23.3%	22.6%	100.0%

Interpretation: From table 9 it is clear that 28.6 percent respondents disagree and 23.3 percent respondents agree and 22.6 percent strongly agree with the statement that infrastructural development by government does not foster the growth of Micro Enterprises.

Table: 10. Banks Policies and Practices are Sufficient towards Micro and Small Enterprise's Development.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	6	2	0	10	8	26
	% of Total	4.5%	1.5%	0.0%	7.5%	6.0%	19.5%
Haridwar	Count	4	6	3	14	11	38
	% of Total	3.0%	4.5%	2.3%	10.5%	8.3%	28.6%
Udhamsingh Nagar	Count	8	4	3	13	13	41
	% of Total	6.0%	3.0%	2.3%	9.8%	9.8%	30.8%
Nainital	Count	5	6	5	8	4	28
	% of Total	3.8%	4.5%	3.8%	6.0%	3.0%	21.1%
Total	Count	23	18	11	45	36	133
	% of Total	17.3%	13.5%	8.3%	33.8%	27.1%	100.0%

Interpretation: From table 10 it is clear that 33.8 percent respondents agree, 27.1 percent strongly agree and only 13.5 percent respondent disagree that banks policies and practices are sufficient towards micro and small enterprise's development. Further, 10.5 percent respondents of Haridwar agree with the statement.

Table: 11. Banks do not have the Capability to Provide Credits to Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	9	2	0	10	5	26
	% of Total	6.8%	1.5%	0.0%	7.5%	3.8%	19.5%
Haridwar	Count	5	11	3	11	8	38
	% of Total	3.8%	8.3%	2.3%	8.3%	6.0%	28.6%
Udhamsingh Nagar	Count	10	12	2	6	11	41

	% of Total	7.5%	9.0%	1.5%	4.5%	8.3%	30.8%
Nainital	Count	4	6	6	6	6	28
	% of Total	3.0%	4.5%	4.5%	4.5%	4.5%	21.1%
Total	Count	28	31	11	33	30	133
	% of Total	21.1%	23.3%	8.3%	24.8%	22.6%	100.0%

Interpretation: Above table 11 reveals that 24.8 percent respondents agree that banks do not have the capability to provide credits to Micro Enterprises and 23.3 percent disagree with the statement. Whereas, 21.1 percent respondents strongly disagree and 22.6 percent respondents strongly agree the statement.

Table: 12. Funding from banks is not Important Tools for Poverty Alleviation among Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	12	10	26
	% of Total	3.0%	0.0%	0.0%	9.0%	7.5%	19.5%
Haridwar	Count	3	4	3	18	10	38
	% of Total	2.3%	3.0%	2.3%	13.5%	7.5%	28.6%
Udhamsingh Nagar	Count	6	6	3	12	14	41
	% of Total	4.5%	4.5%	2.3%	9.0%	10.5%	30.8%
Nainital	Count	1	7	6	5	9	28
	% of Total	3.0%	4.5%	4.5%	4.5%	4.5%	21.1%
Total	Count	28	31	11	33	30	133
	% of Total	21.1%	23.3%	8.3%	24.8%	22.6%	100.0%

Interpretation: Table 12 shows that 24.8 percent respondents agree with the statement that funding from banks is not important tools for poverty alleviation among Micro Enterprises. Wherein Haridwar out of 28.6 percent, 13.5 percent respondents agree and 3 percent disagree with the statement.

Table: 13. The Banking Sector provides Facilities that Support the Development and Growth of Micro and Small Enterprise's.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	6	2	0	10	8	26
	% of Total	4.5%	1.5%	0.0%	7.5%	6.0%	19.5%
Haridwar	Count	5	5	3	17	8	38
	% of Total	3.8%	3.8%	2.3%	12.8%	6.0%	28.6%
Udhamsingh Nagar	Count	8	7	3	10	13	41
	% of Total	6.0%	5.3%	2.3%	7.5%	9.8%	30.8%
Nainital	Count	3	7	6	6	6	28
	% of Total	2.3%	5.3%	4.5%	4.5%	4.5%	21.1%
Total	Count	22	21	12	43	35	133
	% of Total	16.5%	15.8%	9.0%	32.3%	26.3%	100.0%

Interpretation: From table 13 it is found that 32.3 percent respondents agree, 26.3 strongly agree that the banking sector provides facilities that support the development and growth of Micro Enterprises.

Table:14. Bank's Loan Officers are not suitable for Provision of Business Training to Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	6	3	0	10	7	26
	% of Total	4.5%	2.3%	0.0%	7.5%	5.3%	19.5%
Haridwar	Count	5	7	3	14	9	38
	% of Total	3.8%	5.3%	2.3%	10.5%	6.8%	28.6%
Udhamsingh Nagar	Count	9	7	3	11	11	41
	% of Total	6.8%	5.3%	2.3%	8.3%	8.3%	30.8%
Nainital	Count	3	7	6	5	7	28
	% of Total	2.3%	5.3%	4.5%	3.8%	5.3%	21.1%
Total	Count	23	24	12	40	34	133
	% of Total	17.3%	18.0%	9.0%	30.1%	25.6%	100.0%

Interpretation: Above table 14 shows that 30.1 percent respondents agree and 25.6 percent respondents agree with the statement that bank's loan officers are not suitable for provision of business training to Micro Enterprises whereas 18 percent disagree and 17.3 strongly disagree with the statement.

Table: 15. Banking Sector offer Loans Associated with High Interest Rate.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	12	10	26
	% of Total	3.0%	0.0%	0.0%	9.0%	7.5%	19.5%
Haridwar	Count	3	5	3	17	10	38
	% of Total	2.3%	3.8%	2.3%	12.8%	7.5%	28.6%

Udhamsingh Nagar	Count	6	7	3	11	14	41
	% of Total	4.5%	5.3%	2.3%	8.3%	10.5%	30.8%
Nainital	Count	2	6	6	6	8	28
	% of Total	1.5%	4.5%	4.5%	4.5%	6.0%	21.1%
Total	Count	15	18	12	46	42	133
	% of Total	11.3%	13.5%	9.0%	34.6%	31.6%	100.0%

Interpretation: Table 15 unveils that 34.6 percent respondents agree and 31.6 percent respondents strongly agree that banking sector offer loans associated with high interest rate. Out of 28.6 percent respondents 12.8 percent respondents agree with the statement in Haridwar District.

Table: 16 Microfinance Institutions do not have the Capability to Provide Funds to Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	12	10	26
	% of Total	3.0%	0.0%	0.0%	9.0%	7.5%	19.5%
Haridwar	Count	2	5	3	17	11	38
	% of Total	1.5%	3.8%	2.3%	12.8%	8.3%	28.6%
Udhamsingh Nagar	Count	5	7	3	11	15	41
	% of Total	3.8%	5.3%	2.3%	8.3%	11.3%	30.8%
Nainital	Count	2	5	5	9	7	28
	% of Total	1.5%	3.8%	3.8%	6.8%	5.3%	21.1%
Total	Count	13	17	11	49	43	133
	% of Total	9.8%	12.8%	8.3%	36.8%	32.3%	100.0%

Interpretation: From table 16 it is revealed that 36.8 percent respondents agree and 32.3 strongly agree with the statement that microfinance institutions do not have the capability to provide funds to Micro Enterprises. Wherein Udham Singh Nagar out of 30.8 respondents, 11.3 percent respondents strongly agree and with the statement.

Table: 17. Microfinance Institution's Lending Methodology Based on Groups is Suitable for Micro Enterprises Sector Development.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	6	2	0	10	8	26
	% of Total	4.5%	1.5%	0.0%	7.5%	6.0%	19.5%
Haridwar	Count	5	4	3	18	8	38
	% of Total	3.8%	3.0%	2.3%	13.5%	6.0%	28.6%
Udham Singh Nagar	Count	8	7	3	10	13	41
	% of Total	6.0%	5.3%	2.3%	7.5%	9.8%	30.8%
Nainital	Count	2	6	6	7	7	28
	% of Total	1.5%	4.5%	4.5%	5.3%	5.3%	21.1%
Total	Count	21	19	12	45	36	133
	% of Total	15.8%	14.3%	9.0%	33.8%	27.1%	100.0%

Interpretation: Table 17 exhibits that 33.8 percent respondents agree and 27.1 percent respondents strongly agree that microfinance institution's lending methodology based on groups is suitable for Micro Enterprises sector development.

Table: 18 Microfinance Institutions offer too Small Loan Sizes that is Not Beneficial to Micro Enterprises.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	12	10	26
	% of Total	3.0%	0.0%	0.0%	9.0%	7.5%	19.5%
Haridwar	Count	3	5	3	17	10	38
	% of Total	2.3%	3.8%	2.3%	12.8%	7.5%	28.6%
Udhamsingh Nagar	Count	6	7	3	11	14	41
	% of Total	4.5%	5.3%	2.3%	8.3%	10.5%	30.8%
Nainital	Count	2	6	6	6	8	28
	% of Total	1.5%	4.5%	4.5%	4.5%	6.0%	21.1%
Total	Count	15	18	12	46	42	133
	% of Total	11.3%	13.5%	9.0%	34.6%	31.6%	100.0%

Interpretation: Table 18 revealed that 34.6 percent respondents agree and 31.6 percent respondents strongly agree that microfinance institutions offer too small loan sizes that is not beneficial to Micro Enterprises.

Table: 19 SIDBI and NABARD offer Loans Associated with High Interest Rate.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	6	2	0	11	7	26
	% of Total	4.5%	1.5%	0.0%	8.3%	5.3%	19.5%
Haridwar	Count	6	7	2	15	8	38
	% of Total	4.5%	5.3%	1.5%	11.3%	6.0%	28.6%

Udhamsingh Nagar	Count	7	10	2	9	13	41
	% of Total	5.3%	7.5%	1.5%	6.8%	9.8%	30.8%
Nainital	Count	3	8	5	6	6	28
	% of Total	2.3%	6.0%	3.8%	4.5%	4.5%	21.1%
Total	Count	22	27	9	41	34	133
	% of Total	16.5%	20.3%	6.8%	30.8%	25.6%	100.0%

Interpretation: From table19 it is revealed that 30.8 percent respondents agree and 20.3 percent respondents disagree with the statement that SIDBI and NABARD offer loans associated with high interest rate. In Haridwar out of 28.6 percent respondents, 11.3 percent respondents agree and 5.3 disagree with the statement.

Table: 20SIDBI and NABARD Provide Facilities that Support the Development and Growth of Micro and Small Enterprise's.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	12	10	26
	% of Total	3.0%	0.0%	0.0%	9.0%	7.5%	19.5%
Haridwar	Count	3	6	3	17	9	38
	% of Total	2.3%	4.5%	2.3%	12.8%	6.8%	28.6%
Udhamsingh Nagar	Count	6	8	3	10	14	41
	% of Total	4.5%	6.0%	2.3%	7.5%	10.5%	30.8%
Nainital	Count	2	7	6	6	7	28
	% of Total	1.5%	5.3%	4.5%	4.5%	5.3%	21.1%
Total	Count	15	21	12	45	40	133
	% of Total	11.3%	15.8%	9.0%	33.8%	30.1%	100.0%

Interpretation: Table 20 shows that 33.8 percent respondents agree and 30.1 percent respondents strongly agree with the statement that SIDBI and NABARD provide facilities that support the development and growth of Micro Enterprises.

Table: 21. Policies and practices of SIDBI and NABARD are sufficient towards Micro and Small Enterprise's development.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	3	0	10	9	26
	% of Total	3.0%	2.3%	0.0%	7.5%	6.8%	19.5%
Haridwar	Count	4	8	3	15	8	38
	% of Total	3.0%	6.0%	2.3%	11.3%	6.0%	28.6%
Udhamsingh Nagar	Count	7	7	3	11	13	41
	% of Total	5.3%	5.3%	2.3%	8.3%	9.8%	30.8%
Nainital	Count	2	10	5	5	6	28
	% of Total	1.5%	7.5%	3.8%	3.8%	4.5%	21.1%
Total	Count	17	28	11	41	36	133
	% of Total	12.8%	21.1%	8.3%	30.8%	27.1%	100.0%

Interpretation: From table 21 it is clear that 30.8 percent respondents agree and 27.1 strongly agree with the statement that policies and practices of SIDBI and NABARD are sufficient towards Micro and Small Enterprise's development.

Table 22. SIDBI and NABARD's Services are Flexible in Terms of Time and Requirements.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Dehradun	Count	4	0	0	12	10	26
	% of Total	3.0%	0.0%	0.0%	9.0%	7.5%	19.5%
Haridwar	Count	3	5	3	17	10	38

	% of Total	2.3%	3.8%	2.3%	12.8%	7.5%	28.6%
Udhamsingh Nagar	Count	5	8	3	11	14	41
	% of Total	3.8%	6.0%	2.3%	8.3%	10.5%	30.8%
Nainital	Count	2	7	5	6	8	28
	% of Total	1.5%	5.3%	3.8%	4.5%	6.0%	21.1%
Total	Count	14	20	11	46	42	133
	% of Total	10.5%	15.0%	8.3%	34.6%	31.6%	100.0%

Interpretation: Above table 22 revealed that 34.6 percent respondents agree and 31.6 percent respondents strongly agree with the statement that SIDBI and NABARD's services are flexible in terms of time and requirements.

Impact of Government and other Funding Agencies in The Growth of Micro Enterprises

A chi square test is used to examine the relation between respondents' perception toward the role of government and other financial institutions in the growth of Micro Enterprises.

Table: 23. Chi- Square Tests

Name of the Organisation	Value	Df	Sig
Role of Government	16.310	8	0.038
Role of Banks	5.660	6	0.462
Role of MFIs	6.405	4	0.171
Role of FIs	3.035	7	0.882

H₀₁- There is no positive impact of government in the development of Micro Enterprises.

Interpretation: Above table shows that the Pearson Chi Square statistics $X^2 = 16.310$, and $p < 0.05$. P value (0.038) is less than 0.05. Hence the null hypothesis has rejected. The role of government is satisfactory in the development of Micro Enterprises.

H₀₂- There is no positive impact of banks in the development of Micro Enterprises.

Interpretation: Above table shows that the Pearson Chi Square statistics $X^2 = 5.660$, and $p < 0.05$. P value (0.462) is greater than 0.05. Hence the null hypothesis has accepted. The role of banks are not satisfactory in the development of Micro Enterprises.

H₀₃- There is no positive impact of micro finance institutions in the development of Micro Enterprises.

Interpretation: Above table shows that the Pearson Chi Square statistics $X^2 = 6.405$, and $p < 0.05$. P value (0.171) is greater than 0.05. Hence the null hypothesis has accepted. There is no positive impact of Micro Finance Institutions in the development of Micro Enterprises.

H₀₄- There is no positive impact of SIDBI and NABARD in the development of Micro Enterprises.

Interpretation: Above table shows that the Pearson Chi Square statistics $X^2 = 3.035$, and $p < 0.05$. P value (0.882) is greater than 0.05. Hence the null hypothesis has accepted. There is no positive impact of SIDBI and NABARD in the development of Micro Enterprises.

Findings and Conclusion: Responses from the micro and small-scale business proprietors exposed that the role of government cannot be overlooked in the growth and survival of their businesses. This study identified that without government involvement, most enterprises would have gone into death. Measures taken by the government have been seen to have a significant and positive impact on their businesses. This portends that policy actions implemented by the government towards promoting micro and small-scale businesses produce a favorable outcome on their operations. Government initiatives related to entrepreneurship development has had a significant and positive influence on the performance of small-scale businesses. Government has identified them and has taken initiatives to develop entrepreneurship abilities in them. These initiatives have improved the performance of micro and small-scale enterprise's operations and encouraged them to continue doing business. Government fiscal policy towards taxation has a positive effect on micro and small-scale sector. The statistical insignificance of government fiscal policy implies that it is not a government action that determines the growth of micro and small-scale enterprises. Also, micro and small-scale business owners believe government has been effective in encouraging financial institutions to lend to them due to the positive effect.

The financial sector plays a central role in the growth and development of the economy through mobilization and deployment of financial resources. In recent times, public and private sector banks have not confined themselves to mere extension of finance to small entrepreneurs but now have shown genuine concern for their development. They have now entered the challenging field of promoting new micro and small-scale entrepreneurs through entrepreneurship development programmes in their new role as promoters of micro and small sector. They have accepted yet another challenging task. Banks are playing a major role in financing Micro Enterprises in Uttarakhand. Nearly 82 per cent of the total financing is concerned with banks. Among them the major share is of public sector banks i.e. more than 50 percent. Thus, it is clear that the most common source of financing for micro and small businesses is Bank Financing. Apart from the provision of funding to micro and small sector, banks also offer business advisory services, Short-term insurance, Invoice discounting, Support for trade exhibitions, Capacity building through Seminars, Matching local enterprises with foreign suppliers and financial planning & management services (Dhliwayo, 2014)

These findings suggest that without the role of government, micro and small scale enterprise owners might have encountered difficulties in accessing credit facilities from financial institutions. The infrastructural facilities provided by the government have contributed to the growth of micro and small businesses because infrastructural development has a positive and significant effect on micro and small scale businesses.

Study further reveals that there is no positive impact or less impact of Banks, SIDBI, NABARD and microfinance institutions in the development of micro and small scale enterprises. Study also found that government has done better in the area of providing services to Micro Enterprises with the establishment of various policies, regulations and schemes in the state. This can significantly enhance their activities positively. The study also reveals that high interest rate, lack of collateral security, too much bureaucracy and frequent repayment of loan are seriously affecting sustenance and expansion of Micro Enterprises in the study areas.

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