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**Working Paper**

## Micro Enterprises Performances Potential Index (MEPPI): A Study with the Reference to Rural Areas of the Cuddalore District, Tamilnadu

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**Micro Enterprises Performances Potential Index (MEPPI)**  
**A Study with the Reference to Rural Areas of the Cuddalore District, Tamilnadu**

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**Abstract of Rationale**

Micro enterprises are recognized as the prime source of livelihood for the poor population in the rural areas around the globe. The impact of micro enterprises on the rural economy is determined by the performance of these micro enterprises, their success rate and the potential for the sustainability in the market which depends upon the various factors like financial capability, profitability, resource availability, demand in the market, skill up gradation of the micro entrepreneurs and the competitiveness. In addition to this the factors such as labour, the performance potential of the micro enterprises, capital availability with low cost technology, raw materials availability, better infrastructure, political stability and the supportive economics policies like subsidies and export import guidance and many others join together to determine the performance and sustainability of the micro enterprises. A successful entrepreneur needs to be known and ready to adopt the necessary changes and differentiations in the product suitable to the market change which warrants the entrepreneurs knowledge about the dynamics of the market conditions regarding the trend in the demand, demand forecasting, performance evaluation of the enterprises at the particular period and its production and market potential for the future. The available literature about the performance of micro enterprises reveals that lack of timely assessment about the concurrent performance of the micro enterprise and their performance potential for the future leads to the failure of the products and the microenterprises (Olawale (2014), Beck (2009) Suidarma, I., Sara, I., Anggaradana, I., & Pratiwi, I. G. (2018), Mbugua Stephen Kamunge ,Agnes Njeru , Ondabu Ibrahim Tirimba, (2018) , Bushu and Government of India (2019) which calls for an in-depth attempt to discover the resource and market potential for the best performance of the micro enterprises at the gross root level. This paper is attempted to fill this gap in research.

**Key Words:** Micro Enterprises Performance Index, Potential Performance Index, Rural Micro Enterprises, Sustainability of Micro Enterprises, Challenges of Micro Enterprises

**JEL Classification:** D 21, D 47, G 24, H 43, L 22, L 26, Q

## **Premises**

Over the decades a number of development programmes have been introduced by the Government of India with the prime objective to increase the rural household development. Even though a considerable section of rural population has been excluded from the growth process, due to lack of access to credit, low cost loan. This financially excluded population largely comprises of marginal farmers, landless labors, self employed, etc. They are credit worthy people and firms of micro enterprises. They would be able to generate income to pay what they borrow but they have not access to credit (United Nations 2006).

In India about 147 million households out of 203 million live in rural areas. About 51% of farm households have no access to credit, while, 73% have no access to formal source of credit (Usha Thorat, 2007). There are 256 districts in India, where the credit of gap is more than 95% as identified by R.B.I. In this context, the present study documents the issues related to financial inclusion at the district level.

Micro enterprises play a vital role in the rural household development. Various evaluation studies reveal that developing micro enterprises need skill up gradation, identification of business, training, planning and access to improved marketing information etc, which are reported as inadequate (Yathish Kumar & Rajesh, 2008). Micro enterprises run by individuals have not helped for achieving the household development as expected. So the government of India has developed group enterprises through introduction of group lending. Household development is a composite status of development in education, life expectancy, health status, gender development, women empowerment along with increasing household income, through micro enterprises which require access to affordable finance. Thus the present study examines the interrelationship among financial inclusion, micro enterprise and household development.

## **Core Issues of the study**

A few research issues delineated in detailed below, for taking up a fresh study at the micro level.

### **1. Access to Financial Capital**

One of the causes of rural poverty and backwardness is in adequate access to financial capital (Rangarajan, 2008) which influenced by socio-economic and cultural factors such as gender, age, education, income, nature of occupation and culture (UN,

2008). With this observation, the present researcher will attempt to document the factors that influence the process of financial inclusion in the Cuddalore District.

## **2. Demand and Supply Side Causes**

The traditional banks, financial institutions face many problems in lending to poor. On the demand side, poor have no securities, and the lenders have little information about the borrowers and thus banks and financial institution requires collateral also they face agency problem, adverse selection, moral hazards etc. while lending to poor (Armandariz Beatriz, 2008). On the supply side, incentive structure, risk mitigation strategies, nature and characteristics and financial products are the factors determine the utilization of micro finance institutions (UN, 2006). In this context, an attempt will be made to explore the demand and supply side factors that determine the utilization of financial product and services available in the Cuddalore District.

## **3. Marketing**

Micro enterprises face many problems to market their goods in both domestic and international markets at better price, due to lack of access to improved marketing information, lack of skill up gradation, lack of access to modern technology, etc. (Gomex et al., 2002). A similar situation could be seen in Cuddalore District. In this district, there are 164 registered micro enterprises, out of which only 39 enterprises have so far been guided through export guidance cell for obtaining export prospects (DIC, 2009). With this backdrop, the study will focus the issues faced by micro entrepreneurs in marketing their goods.

## **4. Financial Inclusion and Transaction cost**

The Government of India has been implementing a number of inclusive programmes for the up lift-ment of poor in rural areas, even though they are excluded from the growth process, due to inadequate access financial capital. In order to cover them into the ambit of financial sector, the government has been fine tuning its policies towards financial inclusion. Making people to access finance involves more cost to open new branches of bank, in rural and isolated areas and thus transaction cost stands as a stumbling block in delivering services by banks and the micro finance institutions (U.N. 2006, Puhazhendhi, 1995). This calls for an attempt to identify the alternative ways to provide financial products and services at relatively low transaction cost, after duly assessing their credit worthiness.

## **5. Design and Distribution of Subsidies**

Subsidies can distort the market and do not produce the intended outcome. Thus it is still a challenge among policy makers that how to design more efficient subsidies to obtain a specific market outcome and how to distribute the subsidies that efficiently reaches the intended groups of people (UN. 2006 Lina Sonne, 2008). The excluded population requires products which are customized taking into consideration of their varied need (Rangarajan Committee 2008). At this juncture, the present study document these issues in providing loan, subsidies and other financial services to poor, micro enterprises to attain household development.

## **6. Financial Infrastructure and its Services**

One of the prime reasons why the financial products and services are still not reachable to the excluded poor population is documented as lack of financial infrastructure (UN, 2006). So it is important to improve infrastructure for inclusion (Rahuram Committee, 2008). The question boils down in this context, why the existing financial infrastructure does not deliver the goods to the targeted groups and what are its gaps?

## **7. Household Development**

Household development can be measured through improved health, empowerment, standard of living, etc. along with increased income. Thus the present challenge is to induce the household members to graduate into the level of micro enterprise through group lending in order to increase their access, production, income (Rahuram Committee, 2008). In the light of this observation, the present researcher intends to probe the problems in household development through group activities.

## **8. Policy and Governance for Micro Enterprises**

The major problems of the rural micro enterprises such as financial Problems caused by paucity of fund , lack of infrastructure facility, low capacity to take risk, marketing problems , absence of skill up gradation facilities in the villages, the backward linkages such as legal formalities , technical knowledge, the poor quality of the product when compare with the international level, human resource problems such as low level of skill of the workers appointed for the micro enterprise activities, are causing the rural micro enterprises locked with the poor performances.

In addition to this growth of mall culture poor assistance, power failure, lack of technical knowhow, capacity utilization, infrastructure sickness, opportunities for rural

entrepreneurs, crashed scheme for rural development, food for work program, national rural employment program, regional rural development centers, entrepreneurship development institute of India, bank of technology, rural innovation funding, social rural entrepreneurship are also added to the rural, micro enterprises.

As per the data revealed by the chamber of micro small and medium enterprises of India, Small and Medium Enterprises (SMEs) play a vital role for the growth of Indian economy by contributing 45% of industrial output, 40% of exports, employing 60 million people, create 1.3 million jobs every year and produce more than 8000 quality products for the Indian and international markets. SME's Contribution towards GDP in 2011 was 17% which is increased to 22% by 2012 and 36 percent in 2018. There are approximately 30 million MSME units in India and 12 million persons are expected to join the workforce in the next 3 years.

Despite of the importance of the MSMEs in Indian economic growth, the sector is facing challenges and does not get the required support from the concerned Government Departments, Banks, Financial Institutions and corporate which is proving to be a hurdle in the growth path of the MSMEs.

The prevalence of the problems such as absence of adequate and timely banking finance, limited capital and knowledge, on-availability of suitable technology, low production capacity, ineffective marketing strategy, constraints on modernization & expansions, non availability of skilled labor at affordable cost and follow up with various government agencies to resolve problems due to lack of man power and knowledge limit the success performance of microenterprises. In addition to these human resources constitutes a very important role in the development of micro enterprises.

It is very important to empower the micro enterprise sector to utilize the limited human resources in an optimum manner for which the micro entrepreneurs need to be educated and informed of the latest developments taking place globally and helped to acquire skills necessary to keep pace with the global developments.

The micro entrepreneurs involving in various manufacturing, precision engineering design, food processing, pharmaceutical, textile & garments, retail, IT and, agro and other service sector to be sensitized about the present and future potential performances and their prospect. In order to provide such policy input this paper is attempted.

## **Objectives:**

In the light of the above research issues, the researcher has framed the following objectives.

1. To trace out the factors in determining the performance of micro enterprises.
2. To discover the performance potential of the micro enterprises through the proxy index at the gross root level and suggest appropriate policy measures to improve the micro enterprise product diversification required to cope up with the future market and ensure the sustainability of micro enterprises in Cuddalore district.
3. To document the status of micro enterprise wise potential for the future market and identify its resource gap.

## **Research Methodology: 1. Sampling Design**

This study used a cross-sectional design and collected quantitative data through structured interviews. The sample comprised low-income micro-entrepreneurs who participated in socio-economic development programs in the state of .....

The sample size for this study was determined according to Krejcie and Morgan (1970) guidelines formula:  $s = \frac{X^2 NP}{d^2(N - 1) + X^2 P}$  where  $s$  = required sample size.  $X^2$  = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).  $N$  = the population size (88,435)  $P$  = the population proportion (assumed to be 0.50)  $d$  = the degree of accuracy expressed as a proportion (0.05). As the population was 88,435, a sample size of 383 was required. To minimize possible complications from a small sample size, this study collected data from 450 participants.

## **Research Methodology: 2. Statistical Design**

A similar index of the NCAER's State Investment Potential Index (N-SIPI) was constructed under six broad variables that incorporate measures of labor, infrastructure, economic climate, the political and governance conditions, and perceptions of industrial climate using survey based data. Under each variables there are a number of sub-indicators were also used. The sub-indicators under each dimension are aggregated and put together to give a single composite performance of the micro enterprises score which highlight the performance position and the potentials of the enterprises. The details of the aggregation method and the sub-indicators under each aspect are described as below.

## 1. Standardizing the Data

The MEPPI first makes the raw data comparable across various revenue block by using a reference point which is usually the all-India average or population. The indicators are then normalized or transformed into a unit-less index lying between 0 and 100 by using the Min-Max Transformation. The Min-Max transformation is applied as it preserves order and relative distance. The “distance to the frontier” in this transformation takes on an intuitive maximum value.

The Index  $(S_{ij}^k)$  for each of the sub-indicators (variables) across 21 states for each of the six pillars is:

$$S_{ij}^k = \frac{X_{ij}^k - \min(X_{1j}^k, X_{2j}^k, \dots, X_{30j}^k)}{\max(X_{1j}^k, X_{2j}^k, \dots, X_{30j}^k) - \min(X_{1j}^k, X_{2j}^k, \dots, X_{30j}^k)}$$

where  $i=1, 2, \dots, 21$  represents the number of states,  $j=1, 2, \dots, n$  represents the number of sub-indicators in each pillar, and  $k=1, 2, \dots, 6$  represents the six dimensions. Higher values of reflect better performance. For some indicators where higher values represent worse performance (for instance crime), the numerator has been adjusted to reflect the distance of the observed value from the maximum value using the following Index:

$$S_{ij}^k = \frac{\max(X_{1j}^k, X_{2j}^k, \dots, X_{30j}^k) - X_{ij}^k}{\max(X_{1j}^k, X_{2j}^k, \dots, X_{30j}^k) - \min(X_{1j}^k, X_{2j}^k, \dots, X_{30j}^k)}$$

## 2. Weighting

There are six broad dimensions under which the MEPPI is constructed. Of these, five broad pillars (labor, infrastructure, economic conditions, governance and political stability, and survey) are given equal weight, and the sixth pillar (land) is given one half the weights. Within each of the six pillars, equal weights are given to each of the sub-indicators. Some sub-indicators have two or more components. In this case, the sub-indicator weight is evenly distributed into its further components. The weighted arithmetic mean is used to aggregate the sub-indicators under each of the six pillars for each of the ‘i’ states.



$$P_i^k = \frac{1}{n} \sum_{j=1}^n w_j S_{ij}^k$$

where  $w_j$  represents the weight for each sub-indicator,  $k=1,2,\dots,6$  represents the six pillars and  $n$  is the number of sub-indicators under each pillar

$$\frac{\sum_{j=1}^n w_j S_{ij}^k}{n}$$

The weighted geometric mean<sup>1</sup> is used to aggregate the scores across the six pillars to get the final Composite Index for each state  $i$ . The geometric mean is used as it reduces the level of substitutability between the six broad pillars and at the same time ensures that a 1 percent decline in one pillar, say, labour, has the same impact on the overall Index as a 1 percent decline in the infrastructure or economic index. Thus, as a basis for comparisons of potential, this method helps smooth the intrinsic differences across the pillars better than the simple average.

$$CI_i = \exp \left[ \frac{\sum_{k=1}^6 w_k \ln P_i^k}{\sum_{k=1}^6 w_k} \right]$$

Where  $k=1,2,\dots,6$  represents the P pillars and  $w_k$  represents the weight for each of the six pillars.

### **Construction of Theoretical Framework**

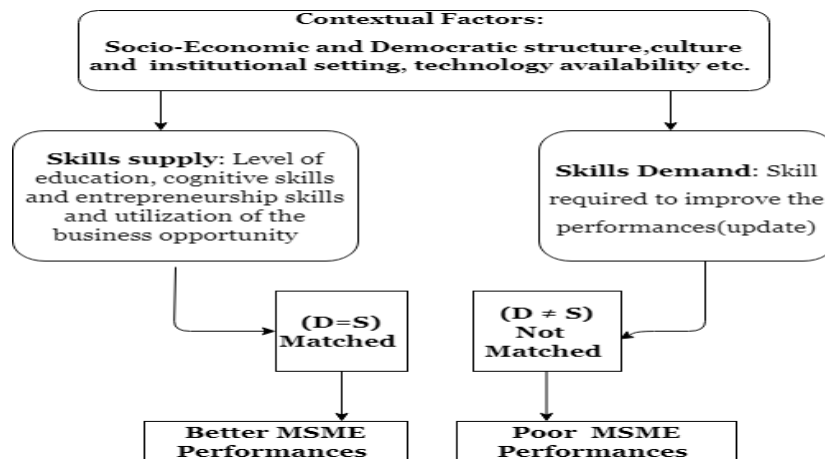
The conceptual arguments presented in this study were built on a combination of modern development theory and the theory of human capital. Modern development theory highlights access to working capital, as one of the key factors contributing to overall economic development. Access to working capital provides start-up capital, which enables low-income households to engage in available income-generating opportunities. Therefore, access to working capital can lead to an increase in micro-enterprise income among low-income micro-entrepreneurs.

The available literature highlights that access to working capital increases the net worth of micro-enterprise assets, which can lead to an increase in micro-enterprise performance. Human capital is defined as the knowledge and skills that individuals, households, or a generation accumulate through training, formal education, and experience, which facilitate them to improve their socio-economic well-being (Heckman 2000). Human capital theory also argues that employee economic performance is mainly based on his/her general and specific human capital, which evolves from his/her investment experience (Streletzki and Schulte 2013).

The effects of training and experience from development initiatives to underprivileged micro-entrepreneurs, on micro-enterprise performance are being rationalized here using the human capital theory. Based on this argument, development micro enterprises requires provision of training programs to low-income micro-entrepreneurs to enhance various skill sets, such as money management, ability to generate more income, and the proper use of credit to impact micro-enterprise performance and its sustainability. The micro enterprise performances are their sustainability is well explored in the theories such as theory of limited liability, transaction cost theory, agency problem and the theory of contract (Beatritz Armendariz 2008). All these theoretically observed factors are to taken onto account in this study through incorporating the questions pertaining to the theory.

The conceptual framework of this study is expressed in the form of the chart below..

### Conceptual Framework of the Study



## **Integrating the Theoretical and Conceptual Framework towards**

The theoretical and conceptual framework explains how and under what ground the research is carried out through scientific way in which that integrated frameworks can make research findings more meaningful, acceptable among the research and policy makers community to ensure the results outreach and the ability to generalize. It also enhances the empiricism and rigor of a research. Thus, it is necessity at both the theoretical and conceptual frameworks which gives life to a research and makes work novelty. A research without the theoretical and or conceptual framework makes it easy to understand the readers to clarify the underlying factors to the researcher's assertions and/or hypotheses. This section explains about how the conceptualization and the theory integrated in this paper.

The increased participation in micro-credit, financial inclusion and skill development trainings to the micro enterprises increase micro enterprise participants' enterprise income, assets, and level of household welfare over time (Uotila 2005). Dunn (2005) also reported similar results, which is participation in micro-credit had significant positive impacts on business investment and business registration. In India, Swain and Varghese (2009) found a positive relationship between micro-credit and livestock accumulation, but no impact on land value or business wealth, and even physical assets. On the other hand the mismatch between the skills possessed and the skills required will lead to poor performances of surviving and shine in the market will result the micro enterprises to quite from the industry. This is the core of the conceptual framework used here.

In theoretical front the theories such as theory of contract, agency problem, and theory of transaction cost, theory of adverse selection, moral hazard are used as the prime source to be tested here. Both this two aspects are covered in this attempt by incorporating the variables linked to theories and the concepts used. Therefore, this study measure the relevant required factors to assess the for the microenterprise potential in the study area and can through light on micro-enterprise performance and their sustainability in the long run.

## Research instruments employed in the study

**Table 1: Details of dimensions and variables used:**

	Rationale	Variables used	Data Source
<b>Land</b>	Government performance	Digitized Land Registration for micro enterprise in the study area	Department of Land Resources, Ministry of Rural Development, GOI
		Share of land used for micro enterprises as a percentage of total possessed	Primary data collected from the respondents
	Availability	Land availability/ land acquired for purpose of running the microenterprise	Primary data collected from the respondents
	Government policy	Facilitation for enterprises parks (SEZs and NIMZs)	Ministry of Commerce and Industry
<b>Labour</b>	Availability	Labour force Participation Rate (per 1000) for persons of age 15-59 years	Employment-Unemployment Survey 2008 and 2018
	Quality	Percent of population with above secondary level education	NSS, 71st round, Education, and Ministry of labor and employment
		Number of persons holding technical courses as a percent of total population	NSS, 71st round, Education, and Ministry of labor and employment
		Skill up gradation training utilized by entrepreneurs	Data from DIC, DRDO and Ministry of Skill Development and Enterprise
	Competitiveness Of the micro entrepreneurs	Average wages of Wage Salaried persons aged 15 years and above	Primary data collected from the respondents
		Average wages in Manufacturing enterprise sector (in rupees thousand)	Primary data collected from the respondents
		Share of workforce in Manufacturing in percent, workers aged 15 years and above	Employment-Unemployment Survey 2008 and 2018
	Labour Climate	Mandays lost due to natural calamities and others	Primary data
		Share of contract workers employed (aged 15 years and above) in total labor force	Primary data computed
	Availability of	Bus transport availability (length per 1000 sq km)	Primary data
Road Density (length per 1000 sq km)		Ministry of Road Transport and Highways, Govt. of India	

<b>Infrastructure</b>	Connectivity	Availability of Cargo facilities like tempo, lorry etc	Rural access survey of India-2008 and Primary data
	Competitiveness	Average Tariff for transportation/ trip (Rs/KwH)	Primary data
		Power shortage (as % to Total Demand)	Ministry of Power, Govt of India
	Rural Access	Net Annual Ground Water Availability (in mcm) per 1000 Hc as % of 21 states	Ground Water Yearbook 2008 and 2018
		Groundwater withdrawal by industries as %	India water portal.org.
		Bank branches per thousand population	Reserve Bank of India
	Growth potential	Number of Towns near by	Ministry of Urban Development; Census of India, 2011
<b>Economy</b>	Macro fundamentals	Tax	Ministry of Statistics and Programme Implementation
		subsidy	Ministry of Statistics and Programme Implementation
		Share of micro enterprise in the in the per capita district domestic product	Ministry of Statistics and Programme Implementation
		Average growth rate of micro enterprise share (3 Year moving average)	Ministry of Statistics and Programme Implementation
	Market Demand	Market Share of million micro enterprise product in the rural economy	Ministry of MSMEs and Primary data
		Market Share of million micro enterprise product in the town urban economy	Ministry of MSMEs and Primary data
		Market Share of million micro enterprise product in the global economy	Ministry of MSMEs and Primary data
	Government Policies	Micro enterprise Development expenditure as % of State's total expenditure	RBI State Finances, state budget documents of the Tamilnadu.
		GST Productivity	Ministry of Finance, GoI (GST), GSVA (MOSPI).
	Natural	Share of micro enterprises in the	Indian Bureau of Mines

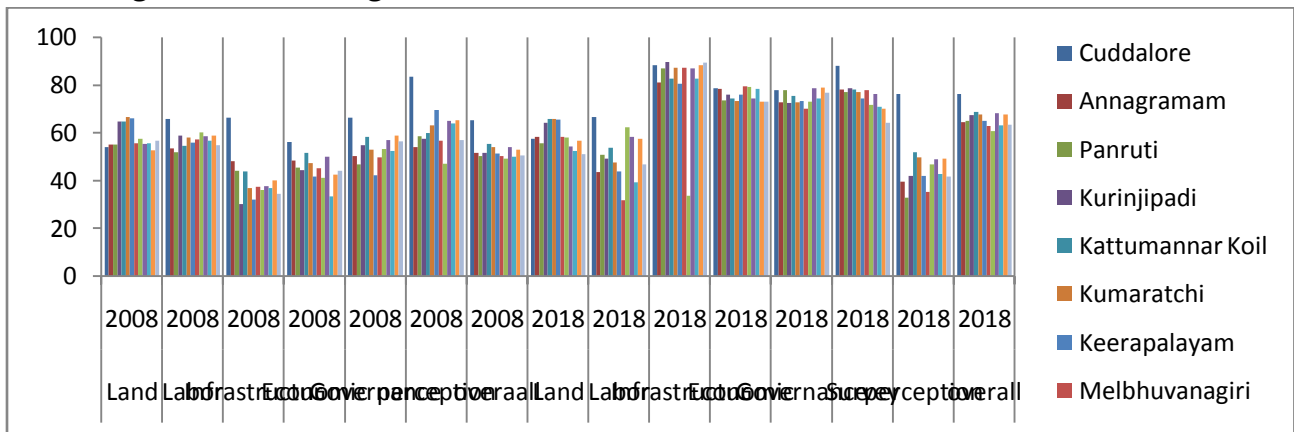
	Resources	district and state in fuel consumption	
	Finance Resources	Number of banks and other formal sources of finance	Lead bank bulletin of cuddler district, RBI (Credit), MOSPI(GSDP)
<b>Governance</b>	Crime	Number of economic offences per thousand population in the study area	National Crime Records Bureau (NCRB)-2008
	Corruption	Cases pending investigation from previous year cases in total cases of investigation under prevention of corruption and related acts related to micro enterprise loans and recovery of it	National Crime Records Bureau (NCRB)
	Judiciary	Average cases pending in the court in year wise	National Crime Records Bureau (NCRB)
	Political Equity	Ratio of winner candidates with serious criminal charges	Association of Democratic reforms, Election Watch, Lok Sabha & State Assemblies
	Law & order	Police Strength per rural areas per thousand	Bureau of Police Research & Development (BPR&D)
		Share of rural crimes to the district	Ministry of Home Affairs, GOI
	Government Efficiency	Share of micro enterprise t related projects to the total development programmes	MSMES, Centre for Monitoring Indian Economy Pvt. Ltd. (CMIE)
		E-Governance Index	NCAER
		Human development status	District human development report of the cuddalore district
<b>Perceptions of Entrepreneur business confidence</b>	Industry Perception	Land	Primary survey from the respondents
		Labour	
		Infrastructure	
		Economic conditions	
		Governance & Political stability	
		Business climate and others	

**Results: Table 2: Scores of blocks under Six Broad**

Revenue Blocks	Scores													
	Land		Labor		Infrastructure		Economic		Governance		Survey		Overall	
	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018
Cuddalore	54.1	57.5	65.7	66.6	66.2	88.3	56.1	78.6	66.3	77.9	83.5	87.9	65.3	76.1
Annagramam	55.0	58.3	53.5	43.7	48.2	81.0	48.3	78.3	50.2	72.6	53.9	78.0	51.5	64.4
Panruti	55.1	55.6	51.8	50.7	44.1	86.9	45.4	73.4	46.7	77.9	58.5	77.1	50.2	64.7
Kurinjipadi	64.6	64.2	58.8	49.2	30.2	89.6	44.5	75.9	54.7	72.5	57.5	78.7	51.7	67.4
Kattumannar Koil	64.6	65.7	54.5	53.8	43.8	82.5	51.5	74.2	58.3	75.5	59.9	78.2	55.4	68.9
Kumaratchi	66.5	65.9	58.0	47.7	36.8	87.2	47.3	73.2	53.0	72.8	63.1	77.0	54.1	67.4
Keerapalayam	66.1	65.5	55.8	43.9	32.0	80.5	41.7	75.9	42.3	73.2	69.5	74.3	51.2	65.2
Melbhuvanagiri	55.5	58.4	57.3	31.7	37.3	87.2	45.2	79.5	49.7	70.1	56.8	77.8	50.3	62.8
Parangipettai	57.6	58.1	60.2	62.2	36.1	33.8	41.2	79.1	53.1	72.9	47.1	71.7	49.2	60.6
Vridhachalam	55.3	54.2	58.5	58.3	37.7	86.9	49.9	74.3	57.0	78.5	64.9	76.2	53.8	68.1
Kammapuram	55.7	52.4	56.8	39.4	37.0	82.7	33.4	78.4	52.5	74.2	63.9	70.8	49.8	62.9
Nallur	52.7	56.7	58.8	57.5	40.2	88.3	42.4	73.0	58.8	78.9	65.3	70.1	53.03	67.6
Mangalur	56.6	51.1	54.9	46.8	34.5	89.2	44.1	73.0	56.4	76.8	56.9	64.3	50.5	63.2

Source: Computed from Primary Survey

Line diagramme showing the

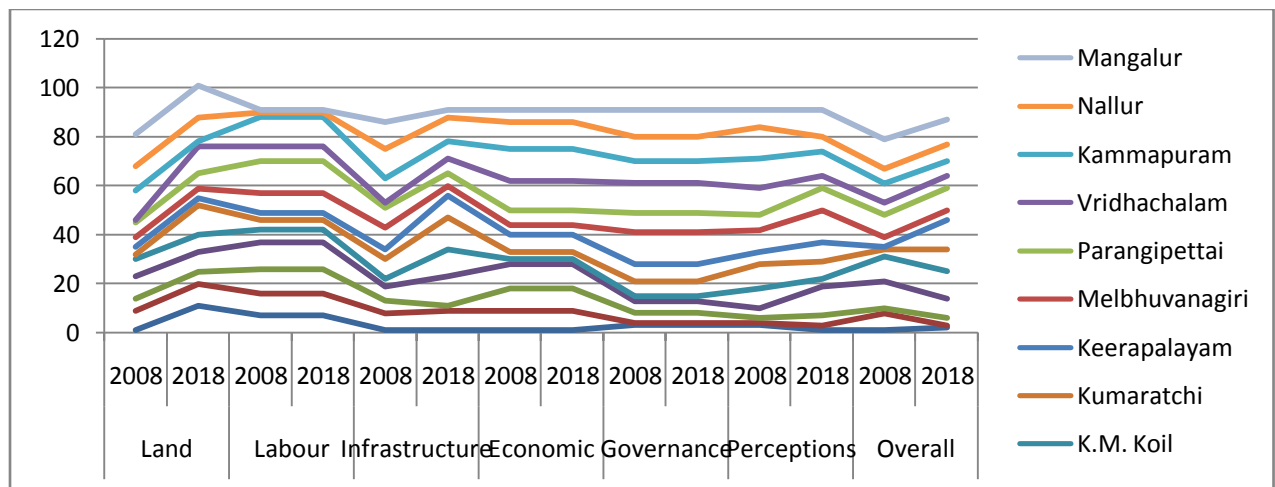


Source: Computed from the survey result.

**Table 3: Ranks of revenue blocks under Six Broad**

Revenue Blocks	Land		Labour		Infrastructure		Economic		Governance		Perceptions		Overall	
	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018
Cuddalore	1	11	7	7	1	1	1	1	3	3	3	1	1	2
Annagramam	8	9	9	9	7	8	8	8	1	1	1	2	7	1
Panruti	5	5	10	10	5	2	9	9	4	4	2	4	2	3
Kurinjipadi	9	8	11	11	6	12	10	10	5	5	4	12	11	8
K.M. Koil	7	7	5	5	3	11	2	2	2	2	8	3	10	11
Kumaratchi	2	12	4	4	8	13	3	3	6	6	10	7	3	9
Keerapalayam	3	3	3	3	4	9	7	7	7	7	5	8	1	12
Melbhuvanagiri	4	4	8	8	9	4	4	4	13	13	9	13	4	4
Parangipettai	6	6	13	13	8	5	6	6	8	8	6	9	9	9
Vridhachalam	1	11	6	6	2	6	12	12	12	12	11	5	5	5
Kammapuram	12	2	12	12	10	7	13	13	9	9	12	10	8	6
Nallur	10	10	2	2	12	10	11	11	10	10	13	6	6	7
Mangalur	13	13	1	1	11	3	5	5	11	11	7	11	12	10

Source: Computed from Primary Survey



**Fig.2. Dimension wise rank of**



**Key Findings: Table 4: Development Block wise**

Sl.Number	Name of the Block	Score
1.	Cuddalore	2
2.	Annagramam	1
3.	Panruti	3
4.	Kurinjipadi	8
5.	Kattumannar Koil	11
6.	Kumaratchi	9
7.	Keerapalayam	12
8.	Melbhuvanagiri	4
9.	Parangipettai	9
10.	Vridhachalam	5
11.	Kammapuram	6
12.	Nallur	7
13.	Mangalur	10

Source: Computed from the Survey

**Findings 2: Enterprise wise MEPMI in the Cuddalore District**

Name of the Micro Enterprises	Land		Labour		Infrastructure		Economic		Governance		Perceptions		Overall	
	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018	2008	2018
Pharmaceutical	6	5	2	2	11	15	11	6	13	9	2	17	3	7
Information	19	12	19	19	17	18	18	15	16	14	14	16	17	19
Food Processing	18	18	10	10	19	21	19	21	18	20	18	18	19	21
Coir Industries	21	21	13	12	14	12	8	8	6	7	10	14	14	14
Street wending	5	8	8	8	3	8	1	3	2	4	1	1	1	3
Petty Shop	9	14	15	14	6	4	10	10	1	2	4	2	4	4
Textiles	14	9	18	18	12	11	16	16	21	21	5	9	15	16
Sports Goods	15	15	21	21	21	20	12	13	17	16	12	15	18	20
Handi crafts	16	16	5	3	7	7	7	5	7	6	15	19	9	9

<b>Country Bricks</b>	10	4	6	5	5	5	17	17	11	11	7	4	7	6
<b>Mud pots</b>	1	2	20	20	18	17	14	14	8	5	8	12	10	13
<b>Wood Works</b>	7	6	4	6	2	3	5	4	10	10	20	21	8	5
<b>Others</b>	13	20	12	16	9	14	15	11	12	13	11	8	11	17

### **Limitations, Conclusion and scope for further research**

The analysis of selected micro enterprise performance index MEPPi in the rural areas of Cuddalore district has two limitations. Firstly it is a generalized micro enterprise performance potential and not does not reveals the specific micro enterprises which is operating in some other rural areas with different status of its dimensions like infrastructure populations etc. Due its limitations of the use of micro level data pertaining to the randomly selected rural areas and the micro enterprises operating in the respective places, it may not perfect portrays the enterprises which are taken into consideration in this attempt.

Further research into the aspect of micro enterprise potential performance index at all enterprise and resource level with reference to each and every regional and sub regional level would be only highly desirable to get a clear picture in policy formulation perspectives.

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