HANDLOOM AND HANDICRAFT ENTREPRENEURSHIP DEVELOPMENT AND MANAGEMENT IN ARUNACHAL PRADESH: AN ANALYSIS

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Abstract: This study aims to analyze the various constraints encountered by the entrepreneurs in the Handloom and Handicraft sector of Papum Pare District of Arunachal Pradesh that restricts their growth and development. This research study adopts perspective of various entrepreneurs in analysing the type of constraints they face at financial, marketing, technological, infrastructural grounds keeping in mind others factors. This study focuses on Papum Pare districts with maximum number of Handloom and Handicraft enterprises using both primary and secondary data sources. This study also incorporates statistical inferences like hypothesis testing to draw conclusion and to demarcate if there is a substantial relation between growth of Handloom and Handicraft enterprises and increase in the standard of living of entrepreneurs. And to determine the importance of entrepreneurship management as well as importance of financial and non-financial institutions in deflating the constraints.

Keywords: Entrepreneurship Management, Entrepreneurship Development, Handloom and Handicraft, Arunachal Pradesh

I. INTRODUCTION

Entrepreneurship is one of the essential inputs in the economic development of a country or a region. It is the best way to fight the evil of unemployment. They create employment for themselves and provide employment opportunities to others. Hence, it is the dynamic need of a developing nation (Gupta & Kumar, 2009). The 1980s is known as the decade in which entrepreneurship has emerged as an essential element in the dynamics of modern economies. The presence of enterprising individuals in an economy has contributed to economic growth, which is noticeable from the economic chronology of progressive countries like the USA, UK, Japan etc., which are among the world’s most enterprising societies.

In contemporary times, the wealth and poverty of developing countries have been conjoined to the entrepreneurial nature of their economies, where it has existed in abundance. Entrepreneurship has played an essential role in economic growth, innovation and competitiveness, and it may furthermore play a role over time in poverty alleviation (Landes, 1998). It has a significant role in the economic development of less developed countries like India, which suffers from the twin crisis of poverty and chronic unemployment.

Microenterprise development is believed to be a panacea for the working poor and low-income individuals. Microenterprise development can be viewed as a tool to oblige low-income individuals to gain access to monetary services or to accomplish their microenterprise pursuits. Incidentally, reports prepared by Planning Commission to generate employment opportunities for ten crore people over the next ten years have strongly recommended self-employment as a way out for teeming unemployed youth (Desai, 2009). There is an entire global opportunity across diverse sectors internationally; the ‘Made in India’ brand is now an increasingly respected brand, valued for quality, reliability, and competitiveness.

As a result, an affluent potential traditional background and traditional knowledge, business viability, and presence of skilled human resources, the upbringing of handloom and handicrafts based micro-enterprises are regarded as an instrument for developing the underdeveloped workforce in many economies. The use of traditional knowledge in handlooms and handicrafts, not making the indigenous artisans alien to their culture and tradition, the micro-enterprises can make them economically independent and create sustainable growth for the tribal people of India including Arunachal Pradesh.

The handlooms and handicrafts epitomize the rich traditional, historical and cultural diversity that distinguishes India from the rest of the world. These two sectors furnish an additional source of revenue in seasons of agrarian distress, self-employment in rural and urban areas for millions of families, check migration, preserve and protect the traditional economic relationship, and help increase the artisan’s standard of living and weavers at rural and urban India. According to Mirza et al. (2012), the improvement and promotion of these sectors would provide many opportunities. Due to low capital investment and the intensive self-employment nature of production, its rural base helps provide a livelihood to many people in the rural non-farm sector and its role in survival in the age of modernization, westernization, globalization, and privatization.

The Government of India has undertaken many programs to promote and develop handloom and handicrafts. The Ministry of Textile and Handicrafts (GoI), considering the present potential demands of the local, national and international market, has evolved
several decisive policies for modern handloom fabric. To increase production, many central based schemes are being implemented to improve these two sectors in India (Debbarma, 2009). Numerous Centrally Sponsored Schemes (CSS) and state production schemes have been launched recently. Schemes such as, Integrated Handlooms Development Scheme (IHDS), Marketing and Export Promotion Scheme, Mill Gate Price Scheme (MGPS), Diversified Handloom Development Scheme (DHDS), Integrated Skill Development Scheme (ISDS), etc. (Tandon R., 2015). The Government of Arunachal enacted The State Industrial Policy in 2008 to promote handloom and handicrafts. To encourage export-oriented industrial units in the state, crafts/weaving centres have been set up, covering all district Headquarters and sub-division headquarters.

However, the competitive and constantly changing market environment has made entrepreneurship complex and challenging. The demand for handloom and handicrafts production in Arunachal Pradesh is less due to modernization and westernization in the state as customers' choices and preferences move toward western items. Since western products are available at less price, sound design, and quality than local products, we must provide good quality, increase production, sound design, and reasonable price to face competition.

II. LITERATURE REVIEW

2.1 The concept of Entrepreneurship

The concept of entrepreneurship and entrepreneurship management has been debated for a long time now (Shane & Venkataraman, 2000). The entrepreneur’s meaning and function have been changing from time to time. The term “entrepreneur” has been emanated from the French word “entreprendre” and the German word “Unternehmen” (Santoki, 2016). Both these words mean “to undertake”. The term ‘entrepreneur’ was first described by Richard Cantillon in 1730. He portrayed entrepreneurs as one discharging the functions of direction and speculation.

Studies such as Deb (2018), Shane (2003), Mbhele (2011), discuss about various definitions given by different thinker starting with early scholar J. B. Say (1816) who further developed the concept and described an entrepreneur as one who fetches together the different facets of production to produce a product. The entrepreneur must demonstrate perseverance and knowledge of the world and business. He must know well the art of coordination, supervision and organization.

Schumpeter, Peter (1883-1950) was the first economic thinker who assigned the entrepreneur a place in the process of economic development. He identifies the human agent at the centre of the process of economic growth. He regards the entrepreneurial activity not as simply pulling together business in established ways but as creating one through new combinations (Shane, 2003). It can be the introduction of new goods, production methods, means of production, the onset of a new market, the conquest of a new source of the supply of raw material or half manufactured goods and the management of a news organization (Mbhele, 2011).

Alfred Marshall (1890) recognized the role entrepreneurs play in production. In his famous treaties “Principals of Economics”, he acknowledges the four factors of production (land, labour, capital and entrepreneurship). Organization Brings together the other factors of production, and according to Marshall, entrepreneurship is the driving force behind the organization. He believed that to perform the function of organizing efficiently; the entrepreneurs must have complete knowledge of their industries and be natural leaders. Entrepreneurs must be able to take up risks, foresee changes, and adjust according to them. Marshall claims that the abilities of entrepreneurs are “so great and so numerous that only a few people can exhibit them all to a very high degree”. (Deakins & Freel, 2006).

Therefore, the definition of entrepreneurship has been changing with time and situation (Drema, 2008). Many believed that most of the earlier social scientists who defined the term entrepreneurship belonged to the developed countries, and hence the definition applied more to these developed economies. Only when the social scientists started studying the developing economies could a more comprehensive definition of entrepreneurship be given. Thus, data generated from studying various economies have contributed to different theoretical frameworks for analyzing entrepreneurial behaviour.

2.2 Theoretical Framework

The various factors needed to analyze the concept of entrepreneurship have been put up under three economic, sociological, and psychological theories of entrepreneurship. According to Bula (2012), classical and neoclassical theorists have laboured to define entrepreneurship, but there is no single definition of Entrepreneurship.

1. Firstly, personality-based theories on entrepreneurship assume that personal traits give particular people an advantage in entrepreneurial activities. Examples that have been proposed are the need for achievement motivation, a high propensity to take risks, and ambition. Schumpeter, in 1934, said that entrepreneurs possess the following three qualities.
   a. They are an instinctive capacity to see things as they are in themselves.
   b. Efforts of will and mind to overcome the fixed attitude of thinking
   c. Ability to surmount social opposition to doing something new.

According to David McClelland, a high need for achievement drives a man towards entrepreneurial activities. In his theory, he believes that there is a relationship between the need for achievement and economic development via entrepreneurial activities.
2. The second group is social-cultural theories; the main point in these theories is that certain groups are believed to possess beliefs, values, and traditions that predispose them to succeed in business. Max Weber’s theory of social change and religious beliefs strongly influences entrepreneurship development. In his theory, Weber argued that protestant or Calvinistic values were instrumental in promoting capitalist enterprise. Weber notably extended his theory on entrepreneurship to Indian society and explained that the religious belief of Hinduism that exists in India lacks the spirit of capitalism.

3. The economic theory emphasizes economic gain that acts as the driving force for entrepreneurial activities. In those situations with favourable economic conditions, entrepreneurship and economic growth will occur. Harris and Papanek advocated a century and quarters at Shillong. Realizing this essential role of entrepreneurs, it is evident low level of industrial activities in the region. There are initiatives for the region's overall economic growth. The policy has announced income tax exemptions, central excise and other incentive for the region's overall economic growth. The policy has announced income tax exemptions, central excise and other incentive for the region's overall economic growth.

An analysis of the above theories shows that entrepreneurs are risk bearers, coordinators, leaders, innovators and creative imitations and that several factors influence entrepreneurship.

2.3 Entrepreneurship in India

Mishra & Tiwari, 2020. and Papanek advocated a century and quarters at Shillong. Realizing this essential role of entrepreneurs, it is evident low level of industrial activities in the region. There are initiatives for the region's overall economic growth. The policy has announced income tax exemptions, central excise and other incentive for the region's overall economic growth.

The growth of Indian entrepreneurs fell during the colonial rules due to various factors. After Independence, a slow pace of development was witnessed in the late 1950s and early 1960s as the Indian economy was changed from an agro-based economy to an industrialized economy. Several SSIs sprouted up to cater to the needs of more prominent industries. But soon, a number of these small units began falling. During this period, SIET (Small Industry Extension and Training Institute) in Hyderabad, collaborating with Harvard University, experimented with entrepreneurship development in India with Rajahmundry, Kakinada and Vellur town of Andhra Pradesh and Tamil Nadu as research area. With the experiment, David McClelland proved that the “need for achievement” was the driving force behind the entrepreneurial activity which can be developed in individuals through proper education and training.

Later in 1983, the “Entrepreneurship Development Institute of India (EDII)” set up the collaborative efforts of institutions like IDBI, IFCE, ICICI, and SBI with support from the Gujarat govt. Then in the same year, the “National Institute for Entrepreneurship and Small Business Development” (NIESBUD) was set up (Sinha, 2010).

Sharma S. (2004) noted that inadequate designs, unhealthy institutional associations, technological limitations, low-value addition, absence of innovation, entrepreneurship, skills and working capital are the significant issues encountered by the handloom and handicraft weavers in Pochampally. Supplies of yarn, marketing as well as sales networks are the primary hindrances in the way of sustainable growth of the handloom and handicraft industry in the Jaipur district of Rajasthan (Goswami & Jain, 2014).

Nagaraju and Rao (2014) heeded that the priority status for weaving as a profession among the youth is nil. The educational, health and residence status of the handloom and handicraft artisans is very deficient but it is worth noting that maximum of the weavers have fair sanitation facilities. Their economic and social situations are unfortunate as most of them earn below INR 50,000 per annum. Labours working in textile enterprises live in unsanitary and wretched conditions without any social security and coverage of health insurance. According to them, a low level of income is a central constraint for the workers, working hours and skill training are critical aspects impacting their earnings. Gender bias is continuous in the deduction of wage level (Panda & Komalavalli, 2019).

2.4 Entrepreneurship in North-East India

The eight states of northeast India, including Assam Arunachal Pradesh, Manipur, Mizoram, Nagaland, Sikkim and Tripura, are preys of separation and isolation even after Independence. It took the region backwards by at least a quarter of a century and inducted hurdles to future economic progress (Drema, 2008).

Development measures started taking shape from the fourth five-year plan (1969-73). The development process began with establishing the Northeast Council in 1972, with its headquarters at Shillong. Realizing this essential role of entrepreneurs, initiatives were taken in the NER. Given backwardness of the North Eastern Region, the Government of India announced the “North East Industrial Investment Promotion Policy 2007”. It aimed to encourage investment in the industrial sector by promoting fiscal and other incentive for the region's overall economic growth. The policy has announced income tax exemptions, central excise exemption, capital investment subsidy, and interest subsidies under the NEIIPP, 2007 (Santoki, 2016). However, the incentives and policies measures have not been very successful, as is evident low level of industrial activities in the region. There are only a countable number of large scale industries in the area.
The percentage of employment in the sector in the North East to the total population is also meagre. Less than 3 per cent of the country's large and medium scale industries and less than 2 per cent of small-scale enterprises are located in this region. Thus, we find that pace of industrialization in the northeast is languid.

**Table 2.1 Growth of Units, Employment and Production in the North Eastern Region from 2006-2011**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Units</th>
<th>Employment (in persons)</th>
<th>Production (Rs. in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>34295</td>
<td>315216</td>
<td>12639.13</td>
</tr>
<tr>
<td>2007-08</td>
<td>37730</td>
<td>350420</td>
<td>14476.87</td>
</tr>
<tr>
<td>2008-09</td>
<td>43300</td>
<td>409940</td>
<td>18183.83</td>
</tr>
<tr>
<td>2009-10</td>
<td>47786</td>
<td>452689</td>
<td>20344.29</td>
</tr>
</tbody>
</table>


At the end of the year 2009-10, only 47786 units existed in the northeast, which employed 452689 people. The distribution of the MSME units in the region is not even. Assam has the highest number of teams, and Sikkim has the lowest estimated number of MSME units, fixed investment, production and employment state-wise in NER at the end of March 31st 2010, followed by Arunachal Pradesh.

**Table 2.2 State wise number of units in the North Eastern Region in 2009-10**

<table>
<thead>
<tr>
<th>Name of the States</th>
<th>No. of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arunachal Pradesh</td>
<td>698</td>
</tr>
<tr>
<td>Assam</td>
<td>24927</td>
</tr>
<tr>
<td>Manipur</td>
<td>4759</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>4725</td>
</tr>
<tr>
<td>Mizoram</td>
<td>4919</td>
</tr>
<tr>
<td>Nagaland</td>
<td>5602</td>
</tr>
<tr>
<td>Tripura</td>
<td>1931</td>
</tr>
<tr>
<td>Sikkim</td>
<td>225</td>
</tr>
<tr>
<td>Total</td>
<td>47786</td>
</tr>
</tbody>
</table>


Numerous policies and packages have been framed for industrial development in the region. But it has been seen that these policies have not been very successful. The government's ambitious “Look East Policy” of 1991 had given high hopes to the northeastern states. Still, no significant development has taken place in the region. after seventeen years, the Look East Policy has produced many advantages and sustained India's economic transformation and development, including closer strategic contacts between India and Southeast Asian countries, a notable increase in the quantum of bilateral trade with other developing countries bordering the northeastern region witnessed a dramatic expansion, with the share going up more than five times. However, this increase in trade volume with India's eastern neighbours has had little or no impact on the northeastern (Singh K Thingnam, 2009).

2.5 Entrepreneurship in Arunachal Pradesh

Arunachal Pradesh is one of the economically backward states in the country. The majority of the population in the State is engaged in agriculture and allied activities. But it has been proven that industrialization is imperative for the growth and development of a region. The government may take measures to industrialize the region, but ultimately it is the presence of entrepreneurs that can improve the economic status of an area. The backwardness of the northeast region, despite the presence of vast resources and various policy measures, is primarily attributed to the lack of entrepreneurial tendency among people.

There have been traditions of craftsmanship in weaving, painting, pottery, basket making and wood carving, etc. These crafts were not carried commercially and were mostly practised to meet their self-consumption needs. The artistic works of the people can be found mentioned in Verrier Elwin’s Book “A philosophy for NEFA” (Elwin, 1958).
Though skillful in several crafts, these were not undertaken as an entrepreneurial activities. The government has been making efforts to develop entrepreneurs by organizing EDPs and offering liberal policies (Gyatso, 2004). The first visible effort by the government toward the industrialization of the State began with the establishment of the Cottage Industrial Department and Craft Training-cum-Production Centre (CTPCs) in 1953 in 8 places like Bomdila, Tawang, Ziro, Along, Tezu, Namsai etc. At the end of March 31st 2010, there were 88 Craft and Weaving Centres in the State.

2.6 Development of Handicraft and Handloom in Arunachal Pradesh

Pangging et al. (2020) is their paper pointed that the ancient development of handloom and handicrafts industries in Arunachal Pradesh is unknown, but it is presumed to be developed with human civilization. There was no commercial activity of handloom and handicrafts products in Arunachal Pradesh. People produce for self-consumption, for family satisfaction, or merely for the requirement. However, it became commercial activity with the advent of new technology and design. Also, the government enacted policies to promote this sector.

By considering the importance of the handloom and handicrafts sector, the state government bifurcated the Textiles and Handicrafts department from the Department of Industry in the year 2000. Now Textiles and handicrafts department independently monitors the whole affairs to promote these sectors towards progress and development and attain the people's expectations of Arunachal Pradesh. Though the textiles and crafts are different in the State, every tribe has its unique identification through handloom and handicrafts products. Their identification may be by design, colour, style of wearing, decoration etc. One can be easily identified with handloom and handicrafts products they wear in their body parts and the luggage they carry with them. The tribal people use their indigenous products, especially during their festivals, to showcase their rich traditions and customs

The Ministry of Textile was created to look after these sectors independently. The Ministry of Textile has been formulating policies to enlarge handloom and handicrafts activities in India. Also, several schemes and programs have been introduced by the Government of India to develop world-class infrastructures in the country for supporting handloom and handicrafts production and to enhance the product quality and cost caused to enable it to compete in the world market. The Ministry of Textile and Handicrafts attempted to ensure equitable infrastructure development in-country to support increased production, availability of required technology, raw material, product design, product levelling, marketing and promotion, and financial support to the artisans of the rural area (Singh, 2010).

As per Drema (2008), India Textiles has an overwhelming presence in the economic life of the country. It provides one of the necessities of life in the country. The textile industry plays a pivotal role through its contribution to industrial output, employment generation, and the country's export earnings. As per the 2013-14 report of the Ministry of the Textile-the Textile, this sector has contributed about 14 per cent to industrial production, 4 per cent to the Gross Domestic Products (GDP) and 11 per cent to the country's export earnings. And it's also the second largest provider of employment after the agricultural sector in India.

2.6 Institutional Role

2.6.1 Financial Institution: Finance is one of the essential resources that an entrepreneur needs while venturing into any entrepreneurial activity. Via the finance available to him, an entrepreneur can assemble all the other factors of production and initiate the enterprise (Sindhu, 2007). Accordingly, finance has rightly been called the lifeblood of an establishment.

Nevertheless, due to their weak financial base, the Handicraft and Handloom sector under the Micro, Small and Medium Enterprise sector has been suffering from an insufficiency of finance, which results in many other hardships. Having identified these critical financial problems, the government has set up several institutions to meet the financial needs (Drema, 2008).

Sivasankar. P.R, and Ekambaram.K, K (2005) concluded that institutions such as commercial banks, play an essential role in financing small scale industrial sectors. Commercial banks and other financial institutions have been promoting the development of enterprises over the years by equipping this sector with various credit facilities. The State Bank of India (SBI) took the initial lead in 1956 and started a scheme to deliver financial assistance to small scale sectors. It has separate schemes for technically qualified entrepreneurs and the village industry sector, and besides delivering term and working capital loans, it has also started giving equity assets. It also offers non-financial support in the form of EDPs such as Technical counselling and the Management Appreciation Program.

To meet the financial and non-financial needs, the Small Industries Development Banks of India (SIDBI) was set up in 1989 as the chief financial institution. Besides the financial assistance, SIDBI has also diversified its area of operation, keeping in mind the varying need of business enterprises. It also performs promotional and development activities. It has been conducting training programs such as skill cum technology up-gradation, Small Industries Management Program.

NEDFi was integrated under the Companies act 1956. The main objective is the development of industries, infrastructure etc., in the Northeastern region. It has instituted a scheme for North East Handloom & Handicraft (SNEHH) to help manufacturers, designers and exporters of handloom and handicraft products; loans up to 25 per cent of the cost are provided if the cost of the project does not exceed Rs 20 Lakhs. (Annual Report of Ministry of MSME, 2018-19).
Arunachal Pradesh Industrial Development and Financial Corporation Limited (APIDFCL). It is the foremost financial and industrial development corporation in Arunachal Pradesh. It has the primary objective of encouraging, aiding and funding the establishment, growth, development and management of industries in the State.

2.6.2 Non-Financial Institutions: The Ministry of Small Scale Industries was first initiated on October 14th 1999. It devises the policies and programs to strengthen and make the sector more competitive. It furnishes services such as fair credit from financial institutions, funds for technological up-gradation, aid for product development, design intervention and packaging, the welfare of artisans and workers etc. One of the most prevalent programs in implementation is the Prime Minister Employment Generation Program (PMEGP) in 2008 by uniting Prime Minister Rojgar Yojana (PMRY) and the Rural Employment Generation Programme (PRPG), which delivers a credit-linked subsidy for the generation of employment by establishing enterprises. The scheme executed Khadi and Village Industries Commission (KVIC as the nodal agency) at a central level and KVIB, DIC and Banks at the state level. The Rajiv Gandhi Udyami Mitra Yojana (RGUMY) is another project of the Ministry which furnishes mentoring support to first-generation entrepreneurs through its agencies called Udyami Mitra. As of March 2009, there were 256 Udyami Mitras which had assisted about 2500 entrepreneurs. (Various Annual Reports of Ministry of MSME). Institutions such as Khadi and Village Industries Commission (KVIC), North East Council (NEC), North Eastern Handloom and Handicraft Development Corporation (NEHHDC), District Industries Centre (DIC), Arunachal Pradesh Khadi and Village Industries Boards (APKIVB) are assigned with the program’s planning, promotion, organization, and implementation to develop Khadi and other village industries. The primary operations of KVIC are building up a resource of raw materials and implements for supply to producers and creating common service facilities for processing raw materials as semi-finished goods. KVIC has implemented numerous schemes such as Export Incentive, Insurance for Khadi Artisans, Work shed scheme for Khadi Artisans etc. (Annual Reports of Khadi and Village Industries Commission).

NEC has launched several schemes to promote Industrialization in North East (SPINE). It also sustains the development of entrepreneurs for strengthening the production base for handicrafts and handlooms in NER via improvement in the existing Handicraft and Handlooms. NEHHDC serves under the administrative control of the Ministry of Development of the North East Region (DoNER), Government of India. The corporation’s primary purpose is to develop and promote the region's indigenous handicraft and handloom products. It also has a sales promotion centre. It delivers financial, technical and other assistance to artisans, weavers, cooperatives and other establishments.

APKIVB governs the functioning of the khadi and village industries sector. Few schemes, such as Project Development, Design Intervention and Packaging (PROTIP), were established in 2002 to enhance the quality of the khadi products and diversify into new products. It was started in 2009-04 in Arunachal Pradesh.

2.7 Impact of COVID-19 Pandemic on Handloom and Handicraft Sector.

Numerous studies such as one done by Yadav, Tripathi and Tripathi (2020) have defined the essential measures that are beneficial for the growth of the Handloom and Handicraft sector in India. They presented the significance of handcrafted carpets and stones and conferred, how this sector was impacted by the lockdown span of the COVID-19 pandemic in the last 2 years (Goswami, & Goswami, 2021). There has been a priority on labour productivity and countries’ handloom and handicraft sector.

Kumar et al. (2022) depicted the significance of small and medium enterprises in Azerbaijan and various handicraft and handloom enterprises and how to design exceptional plans in the sector. Some prominent handicraft industries in Uttar Pradesh are likewise in the descent stage and the necessity to enhance the sector. An analysis executed by (Goswami, G. & Goswami, N. 2021) for handicraft industries that are small business enterprises discovered a severe decline in the growth rate due to the pandemic of net sales by – 66.7% in the initial quarter of the financial year 2020-21. (Yadav U.S et al 2022) examined a theoretical notion of the global handicraft and handloom index and the function of the handicraft workforce and techniques for the growth of handmade crafts at the international level. The crisis was exacerbated additionally when the government declared an extended nationwide lockdown amidst the COVID-19 predicament (Yadav et al., 2020). Outcomes indicated that there is immense gender disparity in employment. While Kumar, Ashish, Mandal Mitu and Yadav, U.S (2022) publicised the execution of women in ODP of Uttar Pradesh and they provided an initial strategy for the developing global handicraft index for small businesses. A revived vision for the growth of the handicraft enterprise in the world and to improve the favourable completion in a contemporary era, there is a requirement for a global handicraft index (Yadav, et al, 2022).

As a result of the COVID-19 pandemic, the MSMEs are predominantly encountering financial issues, supply chain disturbance, reduction in demand, decrease in sales and profit etc. Numerous firms embarking on the situation and covering cash flow shortages are assuming strategies such as applying for a loan, partly or fully shutting down their businesses, laying off employees and reducing staff salaries (Shaﬁ et. al. 2020).

Das and Sutraddhar (2020) investigated the state of the handloom and handcraft weavers mostly women during the lockdown in the Sualkuchi cluster of Assam and disclosed that the situation of the weavers has already been precarious and the lockdown has deteriorated further. They found out that looms fell quiet due to the lockdown and therefore it left the employees without any work and payment. The workers in underwent severe declines in their income. Due to income failure, the workers used their past savings and inflated debt to continue their daily expenditures. The income aid program proposed by the government contacted less than half of the workers amidst the lockdown (Komin et. al., 2021).
The COVID-19 pandemic and lockdown resulted in a tremendous upsurge in unemployment, a theatrical drop in incomes, enormous expansions in food insecurity, a lack of savings and patchy scope of relief measures in India (Kesar et. al., 2020).

III. METHODOLOGY

3.1 Problem Statement
Despite vast entrepreneurial opportunities, efforts of GoI and GoAP, institutional support, the entrepreneurial cultural is in nascent stage and handloom & handicraft industries faces various constrains from weak infrastructure, lack of coordination, unorganized nature, low productivity, low level technology etc. Which is why entrepreneurship development is not very successful. In-fact much investment have already been made on various entrepreneurship development programs by institution like NEC, KVIC, IDBI, still only few individuals turns up to establish their enterprises. Hence it is very important to study the entrepreneurship management in MSEs and what are the constraints and opportunities of handloom and handicraft in Papum Pare district of Arunachal Pradesh.

3.2 Research Objective
1. To analysis the constrains faced by the Handloom and handicraft entrepreneurs and its future scope in Arunachal Pradesh.
2. To evaluate the entrepreneurship management in Handloom and Handicraft sector.

3.3 Research Question
1. What is the reason behind low growth rate of entrepreneurship development in H&H sector of Arunachal Pradesh?
2. What kind of constraints do entrepreneurs faces that are restricting their growth?
3. Does the existing constrains hold back the upcoming opportunities of H&H entrepreneurs?
4. Are the institutional support not channelized in an adequate way due lack of institutional linkage?
5. Whether the mindset of the people is not conclusive for entrepreneurial activities?

3.4 Hypothesis
1. The handloom and handicrafts sector augments the standard of living of entrepreneurs
2. Several aspects of operative, administrative and managerial put impediments to adequate entrepreneurial development in the region.
3. Entrepreneurs face complications in availing assistance from financial and non-financial institutions.

3.5 Research Method
1. Research Nature: To understand in depth what are the constraints and difficulties faced by the Handloom and Handicraft entrepreneurs, whether it is financial, market related, cultural or motivation, descriptive nature of research has been adopted with deductive research approach.
2. Research Design: For this study, a mixed methods research design has been adopted. It is a procedure for collecting, analysing, and integrating both quantitative and qualitative research and strategies in a study to apprehend a research problem.
3. Research Strategy: this study only focuses on the Handloom and Handicraft sector of Micro, Small and Medium Enterprises (MSME), as well as concentrates only on Papum Pare District of Arunachal Pradesh, the case study research strategy fits in best.

3.6 Universe of study
The current study was conducted in one of the most populated district of Arunachal Pradesh, that is Papum Pare. This district has highest proportion of urban area and with highest number of SSI and Medium Scale Industries and their employment, investment and annual production, activities of Textiles and Handicrafts, Craft centres etc. in the District (Statistical Abstract of Arunachal Pradesh, 2006)

3.7 Sampling
For this study, a non-probability sampling method that is Purposive sampling has been used. The study was carried in 3 Tehsil namely, Itanagar, Naharlagun and Doimukh. Along with purposive sampling, the researcher has also used a non-probability sampling method that is convenience sampling because of the researcher’s ease of carrying it out and getting in touch with the subjects due to time and cost limitations in collecting data.

3.8 Sample size
A sample size of 30 Handloom and Handicraft artisan was collected from three blocks i.e. Itanagar, Naharlagun & Doimukh using structures questionnaire.

3.9 Data Source
Both primary as well as secondary data will be used for the study. Primary data will be collected from blocks mentioned above using structures questionnaire. Secondary data will be collected from various books, journals, articles, official documents, reports and publications

3.10 Data Analysis
A cross sectional analysis will be done along with line chart and bar diagrams, Chi square, cross tabulation, ratio and percentage etc. Statistical software like SPSS and MS Excel will be used for the analysis.

3.11 Limitation
1. Entrepreneurship deals with various other sectors like tourism, industries based on agriculture and horticulture products, Non-timber forest products (NTFP) etc. Hence, the findings might vary if the study was conducted for entrepreneurship in other sectors.
2. The student researcher felt that the scope of the research was limited because it could not cover the entire state, as many districts were left out of the study due to time constrain. This meant that the findings could not be generalized to the whole of the state.

3.12 Ethical Consideration
Confidentiality was obeyed throughout the data collection course. All the respondents were briefed about the objective, and informed permission was taken at the beginning of the study itself. Photographs were only taken after receiving approval from the respondents. Transparency was held during data analysis to bypass any data manipulation.

IV. DATA ANALYSIS & FINDINGS

Papum Pare is heeded as the capital district of Arunachal Pradesh, which relishes several civic facilities and benefits for developing H&H enterprises. In contrast, various areas of the study district do not get such rudimentary facilities. The H&H industries are run by artisan based in rural and semi-urban zones of the Papum Pare district of Arunachal Pradesh. The rural regions, namely Parang circle, Leporing circle, Pech Hoj, Kakoi, Mengio, Lekhi, Papum, Jote etc. and semi-urban areas like Sagalee, Doimukh, Kimin, Balijan, Ganga, Karshingsa etc. are where H&H are produced for self-consumption as well as for business. Artisans in rural areas have been encountering more constraints than their semi-urban counterparts.

There were several problems found in this study. Out of these, the major issues are related to Finance, Marketing, Raw material, Labour, Infrastructural, Lack of modern technology, and lack of awareness about various Government Policies, Programmes, and Schemes. Herewith the discussion is made on significant problems being faced by sample respondents. The factors such as Finance, Marketing, Government Policy, Power crisis, raw material etc., are discussed ahead based on experience, opinion or personal interview.

4.1 Problem faced by entrepreneurs
A look at figure 4.1 indicates that the entrepreneurs suffer from a number of problems.

Lack of finance is the central problem faced in the efficient functioning of the units. Besides problems of finance, labour and raw materials, the entrepreneurs also face managerial problems such as lack of experience.

Lack of government aid and lengthy procedure are another major problem faced as it was noted by the entrepreneurs that registration of units via simple in paper policies was cumbersome and also availing of financial and other assistance also required lots of paper work. Other problems encountered were infrastructural problems besides local problems like the frequent bandhs and inconsiderate customers also hindered in the efficient functioning of the units.

4.1.1 Finance
Finance and credit are significant elements for developing cottage H&H businesses. Their capital base is usually fragile since they typically have single ownership. They run cottage units with their own petite capital or borrow from money-lenders because of usurious interest rates. Furthermore, the traders supply raw materials on credit at a high-interest rate (Sundaram, 2002).
While interacting with entrepreneurs of different parts of Papum Pare district, it is displayed that financial institutions demand lots of formalities to concede, like numerous documents and security deposits to grant loans. They cannot avail of institutional finance due to a shortage of properties for security with the bank for loans. Because of such encumbrances, they rely on local loans from friends and relatives despite a high-interest rate. It was also known that small entrepreneurs face a critical lack of capital to commence H&H business activities because of the high cost implicated at the initial stage, like investments in raw materials, infrastructures, labour costs and induction of machinery, payment of wages and salaries etc.

Table 4.1: Source of Finance

<table>
<thead>
<tr>
<th>Source of Finance</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own</td>
<td>18 (40%)</td>
</tr>
<tr>
<td>Borrowed</td>
<td>12 (60%)</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>3 (10%) District Industries Centre</td>
</tr>
<tr>
<td>Money Lenders</td>
<td>1 (3.3%)</td>
</tr>
<tr>
<td>Commercial Bank</td>
<td>5 (16.6%)</td>
</tr>
<tr>
<td>Friends &amp; Relatives</td>
<td>3 (10%)</td>
</tr>
<tr>
<td>Own</td>
<td>18 (60%)</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Field Survey

Table 4.1 illustrates the sources of finance for entrepreneurs. Entrepreneurs invested through informal finance are liable to return the sum of borrowed amount with the interest rate mutually set. It was found that more of the units with a higher investment range had been able to get financial help from banks and other financial institutions. This further reveals that it is more difficult for the smaller entrepreneurs to get loans. Though banks’ finance is much cheaper than money lenders, many entrepreneurs prefer to take loans from informal sources. They have cited various reasons. respondents have security problems availing of institutional loans because financial institutions require mortgages of properties against the laid amount of loan. Furthermore, some respondents were informed of excessive formality to avail of loans from banks and financial institutions. Some are unaware of the assistance and schemes provided by financial institutions and government subsidiaries regarding unawareness. It is because of less education and lack of promotions in the countryside by the financial institutions. Other mentioned that it took a long time for the loan to be sanctioned and much time for the disbursement.

4.1.2 Raw materials

Raw material are the primary factor used in the production cycle to create finished goods. Because of their triviality and fragile financial position, small-scale enterprises have to use the services of intermediaries to get raw materials on credit. Nevertheless, such an array results in higher costs and is mainly disadvantageous when imported raw materials. Likewise, the profit margins of intermediaries are relatively high.

The scarce resources cause small industrialists to use cheap and inferior materials, which intrinsically affects their finished products’ quality. Moreover, the inconsistent supply of particular raw materials adversely affects their production schedules (Vasant, 2008). And it is the factor of low demand for H&H products in the market since middle-class customers have confined resources and low purchasing power. Neighbouring state like Assam is the primary source of raw materials for the enterprises. Due to high demands for raw materials in the entire northeast province, they are sometimes incompetent to complete the orders from different Northeastern states. Thereupon, shortages of raw materials bring a standstill in the production process. However, handicraft raw materials like cane and bamboo are sufficiently available in the state. During the field survey, it was found that 53 per cent of the units were obtaining raw materials from the nearby states, especially from Assam. Only 33% of the units are established on local raw materials available within the districts. About 13 per cent of the units were bringing raw materials from the other state districts.

4.1.3 Labour

Human resource is the backbone of the growth of the enterprises as labours have been contributing a significant part to the growth of industries. The availability of H&H workers is limited in Arunachal Pradesh. Thus, entrepreneurs have depended on adjacent states, i.e. Assam, to complete the necessities of both skilled and semi-skilled labours for production. It was uncovered that a maximum of the workers working in the different enterprises of H&H are from outside the state. The immediate explanations for employing employees from the outside state are the absence of availability of labour, lack of perseverance to work, and lack of skilled labour.

Table 4.2: Labour composition, Qualification in the H&H enterprise

<table>
<thead>
<tr>
<th>No. of workers</th>
<th>Frequency</th>
<th>Composition of workers</th>
<th>Frequency</th>
<th>Qualification of workers</th>
<th>Frequency</th>
</tr>
</thead>
</table>

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4.1.4. Marketing
Entrepreneurs without marketing skills have a more prominent possibility of collapse than others with marketing skills. Micro and small enterprises confront many problems in marketing their products due to increasing competition from foreign goods in the wake of economic reforms. Similarly, they face competition from large industrial enterprises producing the same product (Rahman & Dey, 2010). The marketing constraint is one of the notable drawbacks to the growth of micro and small enterprises in a state like Arunachal Pradesh. There are no regular or established channels for distributing products in the local market. Marketing channels are bunches of interdependent organizations involved in making a product or service available for use or consumption.

In the Papum Pare district, producers typically produce the commodities they desire and are also involved in selling and distributing goods for final consumption. Since there is no channel system for distributing finished products to the market and the consumers, they ignore consumers’ preferences. Therefore, the sales of H&H products were below expected (Mitra & Chobin, 1998). So there must be research and development (R&D) centres to know the choice and preferences of consumers regarding the H&H products. Traditionally entrepreneurs have been practising direct contact with consumers by opening stores in the market. They also sell their

<table>
<thead>
<tr>
<th>1-5</th>
<th>15 (50%)</th>
<th>APST</th>
<th>127 (27.3%)</th>
<th>Skilled</th>
<th>255 (54.8%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-10</td>
<td>12 (40%)</td>
<td>Non-APST</td>
<td>338 (72.6%)</td>
<td>Semi-skilled</td>
<td>156 (33.5%)</td>
</tr>
<tr>
<td>11-15</td>
<td>3 (10%)</td>
<td>Hired (Non-APST)</td>
<td>338 (72.6%)</td>
<td>Un-skilled</td>
<td>54 (11.6%)</td>
</tr>
<tr>
<td>16 - above</td>
<td>0</td>
<td>Family Members</td>
<td>87 (18.7%)</td>
<td>Total</td>
<td>465</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hired (APST)</td>
<td>40 (8.6%)</td>
<td>Total</td>
<td>465</td>
</tr>
</tbody>
</table>

Source: Field Survey
products by opening stalls in the state's significant festivals, namely Nyokum Yullo, Longte Yullo, Dree festival, Mopin festival, Syi-Donyi festival, Solung festival also in various events like statehood day, national or international exhibitions, etc. Nevertheless, such ways of selling H&H products are temporary. One cannot depend on such a temporary structure for marketing in the long run. Consequently, we must have a proper and systematic channel of distribution of products through intermediaries between producers and consumers.

4.1.4.1 High competition and Limited market
The demand for H&H products in Arunachal Pradesh is confined within the state. There is a spectrum for market expansion, but marketing activities for presently confined to the state only. Plus, we have less population and several tribes. Every tribe has their own design of H&H due to their inheritance. It is one of the critical constraints of the non-expansion of local marketing. Even in Papum Pare, the large scale sale of H&H products is not up to mark despite having the highest population among all the districts of Arunachal Pradesh. And the primary reason is that, for instance, the Adi tribe buys only Adi's H&H products. The Nyishi tribe buys its own traditional H&H items; Galo, Tagin, Apatani, Nocte, etc., all purchase their tribe's H&H products. In this way, the marketing area is limited to state and community and within own tribes. 56% of entrepreneurs sell in the local markets. The entrepreneurs had proclaimed that they were not in a situation to market their product beyond the local market because of the high cost of transportation and advertising. Additionally, there was stiff competition from other entrepreneurs with better quality and trademarks. While analysing the demand for the product, we find that 46% per cent of the entrepreneurs mentioned that the demand for their products was average.

<table>
<thead>
<tr>
<th>Distribution system</th>
<th>Frequency</th>
<th>Market for products</th>
<th>Method of Marketing</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>22 (73.3%)</td>
<td>Inter-state</td>
<td>Electronic media</td>
<td>3 (10%)</td>
</tr>
<tr>
<td>Retail</td>
<td>6 (20%)</td>
<td>Local Market</td>
<td>Exhibition</td>
<td>2 (6.6%)</td>
</tr>
<tr>
<td>Whole sale</td>
<td>2 (6%)</td>
<td>Within Arunachal</td>
<td>Mouth Influence</td>
<td>10 (33.3%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>None</td>
<td>15 (50%)</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>Total</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Field Survey

4.1.5 Infrastructure
Transport and communications play a climactic role in the comprehensive development of an area, especially industries. Without good transport and communication facilities, the movement of goods and services wouldn’t transpire, and products would not be able to reach the market for sales. Papum Pare standing in a hilly area, has well feasible modes of transport and communication like railways and roadways. It only depends on road communication to move goods and services from one place to another. The district has some essential areas like Sagalee, Kimin, Balijan, Doimukh, Itanagar and Naharlagun, Leporiang, Gumto, Parang and Banderdewa, which come under different HQ are connected by road. Still, interior villages road in the Papum Pare district needs to be enhanced to ensure the flow of rural products to the market. The better condition of transport and communication will define the growth and improvement of the rural economy. Transportation and connectivity constraints are likewise a substantial hindrance to the fast progress of the H&H sector. The products made locally plus handmade cannot reach commercial areas due to a lack of sound transport and connectivity. Hence, improving transportation in Arunachal Pradesh is necessary to increase the H&H sector and all the industry.

Responded feel that the cost of transportation is high. It has come to comprehend that the high cost of transport is due to the hilly region in the district. Due to the hilly terrain, transporters charge high costs to transport products from villages to markets. The transportation cost relies on the distance between the villages to the market, for example, Leporiang or Mengio, situated in the interior place of the Papum Pare district. They charge high transportation costs from the locals to deliver their products to Itanagar and Naharlagun. The transporters charge less in nearby capital areas like Kimin, Balijan, etc. Therefore, transportation cost is also a significant constraint for the progress and development of the H&H sector in Arunachal Pradesh.

4.1.6 Technology
To expand productivity and decrease the cost of production, technical training and requirement for the latest machines and equipment for micro and small enterprises, demand forecasting products, and long term finance, managerial training for entrepreneurs are required. Small and micro enterprises suffer from technological obsolescence in India due to the dumping of
cheap products in the market under the liberalized economy. One of the significant disadvantages of the small enterprise sector has been the absence of technology, which alone can ensure quality and a high production rate. The addition of technical and professional skills impetus for entrepreneurial advancement in any region (Rahman & Dey, 2010).

Most rural and semi-urban entrepreneurs cannot procure modern technology and depend on traditional weaving and crafts methods for production due to constraints of funds. Eventually, it led to the production of low-quality products corresponding to the enterprises with highly modernized and sophisticated technology. The H&H sector might not be able to satisfy market demands unless it elevates the technology of production and produces quality products. The use of outdated technology reduces production capacity and needs constant maintenance, which involves a high cost of production.

The latest technology produces cheap, high-quality products in large quantities for commercial purposes, and customers' preferences eventually moved towards it. The products of H&H industries are generally costly in the market and less comfortable due to the use of obsolete production technology in the state. The replacement of modern technology in the H&H sector in the Papum Pare district is the need of the hour to produce quality, at an affordable price, generate demand, and with adequate quantities to meet the market's demands.

4.1.6 Management
Managerial inefficiency is one of the crucial issues that small and micro enterprises face. For the efficient management of the enterprise, the entrepreneurs should be proficient in planning, organizing, and directing. Coordinating and controlling are the fundamental functions of management. It is seen that a majority of the entrepreneurs of the state are not very highly educated and are school dropouts. Because of the absence of appropriate education, the entrepreneurs are not very good in the management processor in any business norms. They follow traditional methods and techniques in their production cycle. They also lack knowledge about modern technologies, as discussed earlier.

Further, most enterprises are managed by a sole proprietor and in very few cases by partners, and they lack the skills required for the proper planning and execution of the management functions. Additionally, their scarce financial resources cannot hire professionals to help them in their management functions. The entrepreneurs themselves control the functioning of the enterprises has resulted in the wrong decisions being taken.

Planning is the first and foremost function that the management has to perform. But it was found that very few enterprises in the state had planned their forthcoming action. Most of the enterprises held on their production activities every day without any planning. They had no plans about the production process, expected profit, or strategies to adopt to encounter competition or finance sources. Due to the lack of proper planning, many units were running into losses.

4.1.7. Government Support
Training assists entrepreneurs in bringing efficiency to the overall management of the units. Table 4.4 indicates the number of entrepreneurs attending training programs and their benefits. Among those who have participated in the training program, about four of the entrepreneurs said that the training had benefited them. Most trained entrepreneurs attended Entrepreneurship Development Programs (EDPs) or Entrepreneurship Skill Development Programs (ESDP) conducted by IIE Guwahati, DIC. Many entrepreneurs noted that they became more conscious of the schemes proposed by different institutions after attending the training programs.

In terms of awareness about the facilities, more entrepreneurs were aware of facilities and incentives proffered by the government and other financial and non-financial institutions. The entrepreneurs were aware of the incentives available because most entrepreneurs stay in semi-urban areas.

<table>
<thead>
<tr>
<th>Table 4.4: Training, benefits and government assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enrolled in training program</strong></td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Field Survey

Via awareness, only fewer entrepreneurs have availed the facilities. When asked about the cause for not applying for the facilities, many entrepreneurs stated that the incentives and assistance mainly were on a document and had not been sufficiently executed. Others, particularly the enterprises with low financial investment, said these initiatives were meant only by those with links with the higher officials.
Among the entrepreneurs who had availed of the facilities, about 5 of them benefited from loans under the PMEGP scheme from DICs, three entrepreneurs had benefited from various facilities from NEDFi, women entrepreneurs had availed loans under the Women Entrepreneurship Development Scheme (WEDS) of NEDFi, nine entrepreneurs got loan from commercial banks.

To facilitate and expand the selling activity of H&H products in the state and India, the Government of Arunachal Pradesh has opened emporiums connected to the office of the Assistant Directors in the districts. To popularise the products, these emporiums are also set up in other states, namely Guwahati, Kolkata, and New Delhi. The Government deputes staff to exhibitions as and when organized by different associations within the country, with the main motto to make products popular. But, when asked by the entrepreneurs, 22 respondents had not received any assistance in increasing sales of their products.

4.1.8 Hypothesis Testing

The Hypothesis have been tested to give a more acceptable conception of the study

<table>
<thead>
<tr>
<th>Hypothesis No. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_0$: The handloom and handicrafts sector augments the standard of living of entrepreneurs.</td>
</tr>
</tbody>
</table>

The results and interpretation of the t-test are as follows:

Table 4.5 shows that,

- $t$ Stat < critical 2 tail value i.e., $(1.68 < 2.06)$
- $p$ value > $(\alpha)$ 0.05 i.e., $(0.1 > 0.05)$

The t-test reveals that the P-value of 0.1 is greater than the 0.05 level of significance. Hence, the Null Hypothesis has been accepted. Thus, a significant relationship exists among handloom and handicraft entrepreneurs concerning their standard of living in the district.

<table>
<thead>
<tr>
<th>Table 4.5: $H_0$: The handloom and handicrafts sector augments the standard of living of entrepreneurs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>t-Test: Two-Sample Assuming Unequal Variances</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Variance</td>
</tr>
<tr>
<td>Observations</td>
</tr>
<tr>
<td>Hypothesized Mean Difference</td>
</tr>
<tr>
<td>df</td>
</tr>
<tr>
<td>$t$ Stat</td>
</tr>
<tr>
<td>$P(T&lt;=t)$ one-tail</td>
</tr>
<tr>
<td>$t$ Critical one-tail</td>
</tr>
<tr>
<td>$P(T&lt;=t)$ two-tail</td>
</tr>
<tr>
<td>$t$ Critical two-tail</td>
</tr>
</tbody>
</table>

Source: Field Survey/ Excel outcome

Many entrepreneurs have set up Handloom and Handicraft centres in different parts of the state and imparted training to youth who want to take up this business. They are selling products to consumers through retailers, wholesalers and other pertinent agencies in the markets and accumulating opportunities to earn livelihood and thereafter increase the standard of living.

Respondents said that the H&H sector ushered in improving the standard of living for rural and semi-urban weavers and artisans in the state and Papum Pare. While interviewing them, they mentioned that some of the weavers had been able to bear the children's schooling and household expenditure through this business in the internal locations like Mengio village in Papum Pare district, Arunachal Pradesh.

<table>
<thead>
<tr>
<th>Hypothesis No. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_0$: Several aspects of operative, administrative and managerial put impediments to adequate entrepreneurial development in the region.</td>
</tr>
</tbody>
</table>

From the study of the data, we find that the H&H entrepreneurs face several problems in operating their enterprises. Financial constraint is one of the major problems faced by them. Marketing problems encountered are predominantly due to the lack of knowledge concerning the different processes involved and the reluctance of the entrepreneurs to diversify their markets. Training...
has not been of much significance to entrepreneurs. They have not attended any training programmes nor have made provisions for providing training to their workers. Also, despite different facilities and subsidies available, the entrepreneurs were not very keen on availing of them due to the problems and officials that they had to encounter during the procedure.

Therefore, many operational, administrative and managerial blockages have hindered the entrepreneurs' effective management of their enterprises.

**Hypothesis No. 4**

H$_0$: Entrepreneurs face complications in availing assistance from financial and non-financial institutions.

The results and interpretation of the t-test are as follows:

Table 4.6 shows that,

- $t$ Stat < critical 2 tail value i.e., $(1.43 < 2.09)$
- $p$ value > $(\alpha)$ 0.05 i.e., $(0.08 > 0.05)$

The t-test reveals that the $P$-value of 0.08 is greater than the 0.05 level of significance. Hence, the Null Hypothesis has been accepted. Thus, entrepreneurs face complications in availing assistance from financial and non-financial institutions.

<table>
<thead>
<tr>
<th>Table 4.6: H$_0$: Entrepreneurs face complications in availing assistance from financial and non-financial institutions.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>t-Test: Two-Sample Assuming Unequal Variances</strong></td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Variance</td>
</tr>
<tr>
<td>Observations</td>
</tr>
<tr>
<td>Hypothesized Mean Difference</td>
</tr>
<tr>
<td>df</td>
</tr>
<tr>
<td>$t$ Stat</td>
</tr>
<tr>
<td>$P(T&lt;=t)$ one-tail</td>
</tr>
<tr>
<td>$t$ Critical one-tail</td>
</tr>
<tr>
<td>$P(T&lt;=t)$ two-tail</td>
</tr>
<tr>
<td>$t$ Critical two-tail</td>
</tr>
</tbody>
</table>

Source: Field Survey/ Excel outcome

Though banks’ finance is much cheaper than money lenders, many entrepreneurs prefer to take loans from informal sources. They have cited various reasons. Out of 30 samples, 12 respondents have security problems availing of institutional loans because financial institutions require mortgages of properties against the laid amount of loan. The poor entrepreneurs are not in a situation to satisfy the standards exerted by financial institutions and thus fail to get a loan from banks. Furthermore, some respondents were informed of excessive formality to avail of loans from banks and financial institutions. Excessive formality has created more chaos for the artisans, and they eventually suffered. Some respondents are unaware of the assistance and schemes provided by financial institutions and government subsidiaries regarding unawareness. It is because of less education and lack of promotions in the countryside by the financial institutions. Other mentioned that it took a long time for the loan to be sanctioned and much time for the disbursement.

V. COVID-19 PANDEMIC AND THE HANDLOOM AND HANDICRAFT SECTOR

The Indian Express expresses the COVID-19 pandemic and following the lockdown, the period has stood still for the entrepreneurs and workers and their looms. Over 6,000 skilled workers are employed in the traditional handloom and handicraft sector in Arunachal Pradesh. These skilled workers who have laboured have been hit badly by the current situation, as they least expected their work to be suspended amidst the lockdown.

The difficulties fronted by the microenterprise in operating their enterprises in the handloom and handicraft sector in the Pamum Pare district during the pandemic are in terms of marketing aspects due to government-induced restrictions. Due to improved Quarantine standards, enterprises faced extreme problems. It limited the movement of workers and consumers as well as the business operation. The problems faced by entrepreneurs in managing their enterprise in terms of financial aspects were extensive debt, a decline in revenue, problems in budgeting, and a decrease in funds to expand their enterprise. problems and officials that they had to encounter during the procedure.
According to the Asian Development Bank (2020), the pandemic made it difficult for MSMEs to augment funds from formal financial institutions and could donate to additional potential failures in the economy. Further, the majority of the MSMEs mourned financially because of decreased profitability and consumerism of handicraft and handloom products (Yadav et al., 2022). The global pandemic harshly impacted micro and small enterprises. Although the government delivers incentives and aid funding, these funds for the handloom and handicraft sector may only be obtainable for a short period (Yadav et al., 2022).

It is observed that most of the respondents totally lost their livelihood for an average of one year in different phases of lockdown in India. As the markets were shut the independent weavers were neither capable to buy raw materials nor capable to market their finished products. The workers briefly had acquired less than 30 per cent of their wages and anomaly in work. The cooperative society considered to be helpful for the entrepreneurs also could not manage the lockdown, and shutdown measures and could not provide protection of employment to the workers. Closure of markets led to the blockage of raw material procurement and insufficiency of sale of the finished products resulting in fabrics piling up.

5.1. Government Initiative towards Handloom and Handicraft Sector during COVID-19

A maximum of the handloom and handicraft artisans and weavers conveyed that the circumstances have not been normal yet and it will take months to become normal. The absolute income loss of the handloom and handicraft artisans and weavers since March 2020 is said to be from INR 60,000 to INR 130,000. Due to an insufficiency of savings, most of them underwent financial depletion to hardship in maintaining their day-to-day expenses ushering high levels of stress and trauma. As very few of them had past savings and the maximum of them are debt-burdened, their household was handled by taking loans from various money lenders and government clemency. The finance minister of India in March 2020 declared a relief package of INR 1.70 lakh under the Pradhan Mantri Garib Kalyan Yojana for unorganised sector workers predominantly daily wage workers, as well as for urban and rural poor (PIB, 2020). The handloom and handicraft artisans and weavers in the Papum Pare district primarily acquired free ration and financial aid from female Jan Dhan account holders. Some of them too obtained free cooking gas under the Ujjwala project. However, the respondent noted that this aid from the government is very low and not enough to sustain the entire household.

The central government also declared a Corona relief package of INR 3.0 lakh crore in May 2020 to help the MSMEs but there is no explicit notification for the handloom and handicraft sector. The primary data also indicates that there is no aid or scheme has been announced either by the state or central government to support the handloom and handicraft workers.

The entrepreneurs did not acquire any type of aid either from any NGO or civil society in the locality, except for some who received ration from a few NGOs. Upon questioning what kind of service will be advantageous for the handloom and handicraft entrepreneurs to continue work in the post-lockdown span, they suggested that financial assistance in terms of the easy loan and proper execution of the current government projects is very much essential. This will allow them to revitalise their activities which will yield employment in the informal economy.

VI. SCOPE OF HANDLOOM AND HANDICRAFT OF ARUNACHAL PRADESH

The opportunities that Handloom and Handicraft sector can provide includes employment generation, self-employment, tourism promotion, increase in standard of living, encouragement for local entrepreneurs and utilisation of available natural resources. The women are mostly engaged in handloom (weaving) activities in the Papum Pare district of Arunachal Pradesh. It is also an unorganised in nature and some group of women have jointly come together to form self-help group (SHG) or registered Cooperative Society to take up their production activities in large scale. It enables the eradication of regional disparity by delivering economic benefits to rural and semi-urban entrepreneurs. One of the significant findings is that encouraging the expansion and development of handloom and handicraft enterprises in the district will attract more and more tourists. It will support the growth of traditional values and increase cultural tourism in the state. The state government will get revenue, and people will get self-employment. This sector has preserved indigenous traditional art and cultural value in the district and state.

The ability to generate employment: The H&H sector is labor-intensive, consequently producing employment for skilled or semi-skilled individuals. The economy suffers from critical unemployment, underemployment, and seasonal unemployment crises. Though entrepreneurs engage several youths in the enterprises, this sector is still a family-based enterprise. Promoting this sector will expand employment in the state.

In this study, it was understood that the average enterprise employs approximately 6 to 10 persons. It affirms vast employment generation capacity if they are adequately channelized and encouraged by a system of policymakers in the state. The enterprise in this study has measier knowledge of management of an enterprise. Therefore, they do not even have records of their activities, so we cannot find much detail about their financial data. Plus, they have a short gestation span and can quickly be established in rural and backward areas.

Potential to generate self-employment: H&H enterprise plays a crucial role in accumulating livelihood for the individual in the economy. They supply significant scale employment prospects for the youth of the state residing in both rural and urban areas. The expansion of this sector would enhance the state's economic system and the people's social well-being. Under the support of the Department of Textile and Handicraft, the state government subsidizes youth for the apprenticeship and growth of entrepreneurs.
Possibility for market proliferation: Predominantly H&H products have been sold in the local market only. Local artisans and craftsmen typically consolidate marketing activities in the local market such as Kimin, Doimukh, Ganga Market, Nirjuli, Naharlagun and Itanagar. Because of this, the sales are not up to the level. Marketing is a vigorous notion that emerged in the mid-1950. From a product-centered, make–and–sell perspective, the business has shifted to a customer-centered perspective. It is not to encounter the right customers for your products but to discover the right products for your customers (Kotler et al., 2009).

Entrepreneurs and other stakeholders shouldn't define their market to H&H products within Arunachal Pradesh. They must look above the state to gain popularity, growth and development of handloom and handicrafts. The entrepreneur can opt for a marketing network with the help of customers, suppliers, distributors, retailers, government, researchers etc. We can expand our market by linking up with other countries' marketers by concentrating on customer-oriented marketing. During the study, it is displayed that the state department is doing and expanding the marketing scope by establishing emporiums in other state cities like New Delhi, Kolkata, Guwahati, Mumbai etc.

Increase the standard of living: A maximum of the entrepreneurs in this study mentioned that the handloom and handicraft sector ushered in the advancement of the standard of living for rural and semi-urban weavers and artisans from all over the state. While talking with them, it was revealed that some parents have been able to pay for their children's education and bear the household expenditure through H&H sector enterprise in the interior villages like Mengio.

Preservation of art and culture: Handloom and handicraft aid in the preservation of the worthwhile old age art and craft, cultural and traditional traits of a community. Each and every tribe of Arunachal Pradesh has its traditional art and craft and cultural legacy, which is conveyed from generation to generation. It doesn't need a formal practicum to manufacture local products, and they are doing it with their own preserved skills, which they retained from their forefathers.

VI CONCLUSION

The H&H sector is playing a significant role for the rural and semi-urban people of the state. This sector abundantly provides employment and economic benefits to rural people after agriculture and its allied sector. Hence, improving and developing financial facilities available at a subsided rate is necessary.

Indeed, H&H enterprises are predominantly in traditional work mode, lack stimulus for innovations, and lack technical and financial support. These have acted as a barrier to improving productivity and quality of products and additional generation of employment in the state. There are several constraints on H&H industries in the state. The absence of long term policy measures, poor design, unaware of a quality product by entrepreneurs, shrinkage of markets, poor infrastructure, and inadequacy of working capital is responsible for the unsatisfactory growth of H&H village industries in the state. Another problem with the rural sector is the poor modernization and up-gradation of technology. Thus, technological planning, research and development are vital ingredients of rural development.

There is an urgent need for a fresh look at the various dimensions of rural industrialization, which consists of developing traditional and cottage industries, sericulture, handicrafts, and coir to eradicate poverty and unemployment. The state’s policy regarding H&H needs to be more oriented towards developing economically viable units.

It is well recognized that rural-based units can be developed through appropriate rural industrial programmes. These programmes broadly envisage:

1. Conceiving achievement, motivation and sharpening of entrepreneurial skills
2. Project planning and devilmint and guidance on industrial opportunities
3. Incentives and facilities and rules and regulations
4. Developing managerial and operational capabilities

Micro and small enterprises contribute immensely to regional development and economic growth. The role of micro and small entrepreneurs has got tremendous importance in bringing rural people and creative people to invest their minds for a better cause. Above all, micro and small entrepreneurs act as an essential source of their livelihood. It has become the limelight for generating employment and revenue for a large section of people by supplementing the job sector. The entrepreneurs in Arunachal Pradesh are primarily seen in micro-entrepreneurial ventures, formal and informal. With the never-ending challenging situations, it has become difficult for entrepreneurs to sustain and manage their businesses in the era of globalization. Therefore, well thought and coherent policy is indispensable for the continuation of Handloom and handicrafts based units in the district and state.

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