

A Study of Micro Enterprises in Kolhapur District

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Article Info	ABSTRACT
Article History: Received: 31st Dec 2025 Accepted: 15th Jan 2026 Published: 22nd Jan 2026 Keywords: Micro enterprises, Kolhapur-Chandgad-Ajara- Gadhinglaj, Entrepreneurship	Micro enterprises play a crucial role in fostering local economic development, employment generation, and inclusive growth, particularly in rural and semi-rural regions. The present study examines the structure, performance, and socio-economic impact of micro enterprises in Chandgad, Ajara, and Gadhinglaj talukas of Kolhapur District. The study aims to analyze taluka-wise distribution of micro enterprises, patterns of investment, employment generation, wage structure, and gender-wise participation, with a focus on identifying inter-regional variations and development gaps. The study is based on primary data collected from selected micro enterprises across the three talukas, supplemented by secondary sources such as government reports, research studies, and academic literature. Descriptive statistical tools, including averages, percentages, and comparative analysis, are employed to interpret the data. The findings reveal that micro enterprises significantly contribute to employment generation, with a total of 161 workers employed across 39 units. Female workers constitute a majority of the workforce, highlighting the role of micro enterprises in promoting women's economic participation. While Chandgad taluka leads in the number of micro enterprises and total investment, Gadhinglaj exhibits higher employment absorption per unit, and Ajara shows relatively higher wage and investment efficiency. The study identifies uneven micro-industrial development across the talukas, influenced by differences in infrastructure, access to finance, and scale of operations. The paper concludes that strengthening institutional support, improving credit accessibility, and enhancing skill development can further augment the contribution of micro enterprises to sustainable and inclusive regional development.

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How to Cite: Naik, R. N. (2026). *A study of micro enterprises in Kolhapur District*. IIP: International Multidisciplinary Research Journal (IIPMRJ), **3(1)**, pp. 10-17.

1. Introduction

Micro enterprises constitute a vital segment of the industrial structure of India, particularly in rural and semi-rural regions where large-scale industrialization remains limited. As an integral part of the Micro, Small and Medium Enterprises (MSME) sector, micro enterprises play a significant role in employment generation, income creation, and balanced regional development. They require relatively low capital investment, utilize local resources, and provide livelihood opportunities to a large section of the population, including women and marginal workers. In recent years, government initiatives such as MSME development schemes, financial inclusion programs, and skill development missions have further highlighted the importance of micro enterprises in achieving inclusive economic growth.

Talukas such as Chandgad, Ajara, and Gadhinglaj represent predominantly rural and semi-rural areas where micro enterprises serve as a key driver of local economic activity. These talukas exhibit diverse industrial characteristics in terms of enterprise concentration, investment levels, employment capacity, and wage structures. Micro enterprises in these areas operate across various traditional and non-traditional activities and contribute significantly to household incomes and local market development. However, the pace and pattern of micro-industrial development are not uniform, leading to regional disparities in employment and income generation.

Despite their importance, micro enterprises in these talukas face several constraints, including inadequate infrastructure, limited access to institutional finance, technological limitations, and skill gaps. Prior studies, including regional industrial analyses, have emphasized the presence of structural and policy-related challenges that restrict the growth potential of micro enterprises. In this context, a systematic and empirical examination of micro enterprises in Chandgad, Ajara, and Gadhinglaj talukas becomes essential.

The present study seeks to analyze the structure and performance of micro enterprises in the selected talukas by examining investment patterns, employment generation, wage distribution, and gender-wise participation. By identifying inter-taluka variations and development gaps, the study aims to provide insights for policymakers and planners to strengthen micro-enterprise-led local economic development.

2. Literature Review

Review of Literature

Existing literature highlights the significant role of micro enterprises in generating employment, enhancing household incomes, and promoting inclusive regional development, particularly in rural and semi-rural areas. Studies on micro and small enterprises emphasize that factors such as access to finance, infrastructure availability, skill development, and market linkages strongly influence enterprise performance and sustainability. Research also indicates that micro enterprises provide substantial employment opportunities for women, thereby contributing to gender equity and local economic empowerment.

Dr. Ram Naik's Ph.D. thesis, *Industrial Development: Pace, Pattern and Gaps – A Case Study of Chandgad Taluka*, offers an in-depth analysis of the industrial structure of Chandgad taluka. The study identifies uneven industrial growth, infrastructural bottlenecks, and policy gaps as key constraints affecting micro-industrial development. Naik underscores the need for targeted government intervention, improved credit facilities, and skill enhancement to accelerate industrial growth at the taluka level.

Further, Dr. Parashram Patil's research on the cashew processing industry in Chandgad taluka provides sector-specific insights into micro enterprise dynamics. His study reveals that cashew industries significantly contribute to seasonal and female employment but face challenges related to raw material availability, technology adoption, and market volatility. Together, these studies provide a strong theoretical and empirical foundation for the present research on micro enterprises in Chandgad, Ajara, and Gadhinglaj talukas.

3. Objectives

1. To map the sectoral and demographic profile of micro enterprises in Chandgad, Ajara and Gadhinglaj talukas of Kolhapur district.
2. To assess the contribution of micro enterprises to local employment and household incomes.
3. To examine major constraints impacting enterprise growth—finance, skills, technology, market access and regulation.
4. To identify opportunities for intervention and propose policy recommendations tailored to district realities.

4. Conceptual Framework

The conceptual framework of the present study is designed to examine the role of micro enterprises in promoting employment generation, income distribution, and gender-inclusive economic development in the talukas of Chandgad, Ajara, and Gadhinglaj. The framework is based on the assumption that micro enterprises function as an important driver of local economic activity, particularly in semi-rural and rural regions.

The independent variables in the study include the number of micro enterprises, level of investment, scale of operations, and wage-paying capacity of enterprises. These variables determine the productive capacity and sustainability of micro enterprises at the taluka level. The intervening variables consist of access to finance, availability of skilled and semi-skilled labour, government support through MSME schemes, infrastructure facilities, and entrepreneurial capability, which influence the effectiveness of micro enterprises in generating employment and income.

The dependent variables include employment generation, gender-wise employment participation, wage levels, women's economic empowerment, and overall local economic development. The framework assumes that higher investment and a greater number of micro enterprises lead to increased employment opportunities, particularly for women, thereby contributing to inclusive growth.

This conceptual framework provides a structured basis for analyzing inter-taluka variations and understanding how micro enterprises contribute to socio-economic development in the study area.

5. Methodology

5.1 Research Design

A Survey method and qualitative interviews ensures depth and breadth. The quantitative component captures enterprise-level indicators; qualitative interviews add contextual richness.

5.2 Sampling and Sample Size

Sampling frame: convenient sampling method is used for the study and selected 39 micro cashew enterprises selected across three talukas in Kolhapur district.

Sampling frame of Cashew Industries in Kolhapur District

Selected Talukas	Micro Industries
Chandgad	18
Gadhinglaj	12
Ajara	9
Total	39

5.3 Data Collection Instruments

1. Enterprise Survey: Structured questionnaire covering firm age, ownership, workforce composition, turnover, fixed and working capital, sources of finance, input sourcing, sales channels, technology use, training received, regulatory compliance and constraints.
2. Key Informant Interviews : District industry officials, bank officials, local business association leaders, training institute heads.
3. Focus Group Discussions : Women entrepreneurs and youth micro-entrepreneurs.
4. Secondary sources: District industrial profiles, MSME development reports, government schemes literature.

5.4 Data Analysis- Quantitative data analyzed using descriptive statistics (frequencies, means, medians), and percentile.

6. Profile of Micro Enterprises in Kolhapur district including Chandgad, Ajara and Gadhinglaj taluka

Profile of the Study Area

The present study is conducted in Chandgad, Ajara, and Gadhinglaj talukas, which are located in the southern part of Kolhapur district, Maharashtra. These talukas form an important part of the district's rural and semi-urban economy and are characterized by a mixed pattern of agricultural and non-agricultural activities. Their geographical location, availability of natural resources, and socio-economic conditions have significantly influenced the development of micro enterprises in the region.

Chandgad taluka is predominantly rural and lies close to the Western Ghats, with rich forest resources and agricultural activities forming the economic base. The taluka is known for traditional agro-based and forest-based micro enterprises, including cashew processing, food processing, and small manufacturing units. However, infrastructural limitations and remoteness have affected the pace of industrial development, resulting in uneven growth patterns.

Ajara taluka has a relatively smaller geographical area and population compared to Chandgad and Gadhinglaj. The local economy is primarily agrarian, supported by small-scale processing units and service-oriented micro enterprises. Limited industrial diversification and lower investment levels characterize micro enterprises in Ajara, though wage levels and capital intensity show relatively better efficiency in certain units.

Gadhinglaj taluka is comparatively more urbanized and better connected in terms of transportation and market access. This taluka has emerged as a local commercial and industrial center, supporting a higher employment absorption capacity per micro enterprise. Better infrastructure, access to markets, and availability of labor have contributed to relatively stronger micro-enterprise performance.

Collectively, these talukas present varied developmental characteristics, making them suitable for a comparative study. The diversity in economic base, infrastructure, and enterprise performance provides a meaningful context for analyzing the structure, employment potential, and socio-economic impact of micro enterprises in the study area.

7. Analysis of Data

The analysis and interpretation of primary data collected on micro industries operating in selected talukas, namely Chandgad, Gadhinglaj, and Ajara. The analysis focuses on the distribution of micro industries, employment generation, investment patterns, salary structure, and gender-wise employment composition. The objective is to understand the role of micro industries in local economic development and employment creation, with special emphasis on gender participation.

Table 7.1 Employment Structure and Gender Composition

Taluka	Male	Female	Total	% Female
Chandgad	23	43	66	65.15
Gadhinglaj	30	38	68	55.88
Ajara	9	18	27	66.67
Total	62	99	161	61.49

Table 7.2 Employees per Micro Industry

Taluka	Employees	Employees per Industry
Chandgad	66	3.67
Gadhinglaj	68	5.67
Ajara	27	3.00
Total	161	

Micro industries in the selected talukas provide employment to 161 workers in total. Gadhinglaj taluka employs the highest number of workers (68 employees), marginally higher than Chandgad (66 employees), despite having fewer industrial units. Ajara taluka

provides employment to 27 workers, reflecting its smaller industrial base.

An analysis of employees per micro industry shows that Gadhinglaj has the highest employment capacity (5.67 employees per unit), while Chandgad and Ajara have 3.67 and 3.00 employees per unit respectively. This indicates that micro industries in Gadhinglaj are relatively more labor-absorbing.

Female workers constitute over 61% of total employment, indicating strong female participation in micro-industries, especially in Ajara and Chandgad talukas.

Gadhinglaj shows higher employment capacity per unit.

Table 7.3 Investment Efficiency

Taluka	Investment per Industry (₹)	Investment per Employee (₹)
Chandgad	3,54,222	96,606
Gadhinglaj	5,15,000	90,882
Ajara	3,16,889	1,05,630

The total investment made in micro industries across the three talukas amounts to ₹1,54,08,000. Chandgad accounts for the highest investment (₹63,76,000), followed closely by Gadhinglaj (₹61,80,000). Ajara has comparatively lower investment of ₹28,52,000, which is consistent with its smaller number of industries.

However, when investment is analyzed on a per-employee basis, Ajara records the highest investment per employee (₹1,05,630), indicating relatively higher capital intensity. Chandgad and Gadhinglaj record investment per employee of ₹96,606 and ₹90,882 respectively. This suggests inter-taluka disparities in capital utilization and industrial scale.

Ajara records the highest investment per employee, suggesting relatively higher capital intensity.

Table 7.4 Salary Distribution

Taluka	Salary Paid (₹)	Salary per Employee (₹)
Chandgad	18,48,000	28,000
Gadhinglaj	16,43,000	24,162
Ajara	10,74,000	39,778
Total	45,65,000	

The total salary paid by micro industries in the study area is ₹45,65,000. Chandgad leads with ₹18,48,000, followed by Gadhinglaj (₹16,43,000) and Ajara (₹10,74,000).

A comparison of average salary per employee shows significant variation. Ajara taluka offers the highest average salary per employee (₹39,778), followed by Chandgad (₹28,000) and Gadhinglaj (₹24,162). This reflects differences in productivity, nature of activities, and possibly skill composition of workers across talukas.

Ajara provides the highest average salary, despite having fewer industries and employees.

8. Major Findings

1. A total of 39 micro industries across three talukas generate 161 jobs, confirming the employment-generating role of micro enterprises.
2. Female employment dominance (61.49%) highlights the importance of micro industries in women's economic empowerment.
3. Gadhinglaj taluka demonstrates better employment absorption capacity, while Ajara shows higher wage and investment efficiency.
4. Chandgad leads in the number of micro industries, indicating entrepreneurial concentration.
5. Variation in salary and investment patterns suggests uneven industrial development across talukas.

9. Conclusion

The analysis clearly indicates that micro industries play a vital role in local economic development by generating employment, mobilizing investment, and promoting female workforce participation. Despite variations across talukas, the overall impact of micro industries is positive. Strengthening infrastructure, improving access to finance, and providing skill development support can further enhance the contribution of micro industries to sustainable regional development.

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