

Research Article

# A Study on Problems and Prospects of Small Business units in A and N Islands-An Empirical Analysis

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## A B S T R A C T

Small Business Sector (SBS) plays an important role in the economy of any country. The Andaman and Nicobar Islands (A and N islands) has been taken as the study area. As a branch of Business and Commerce Education and as one of the types, the Small Business (SB) has a high level potential and prospects in this Study Area. Whereas in A and N islands, resources are plenty but are under exploited and these islands welcome the entrepreneurs of all types to come and start business ventures in these islands. The Small Business Entrepreneurs are handicapped by limited knowledge on the small business benefits. As a saying goes that the Small is always beautiful, the Small is always convenient, the small business is always suitable and convenient to manage. All small business activities in the study area are consumer goods and service oriented. All the Small Business Units (SBUs) purchase the goods from the wholesalers of the local and sell the same locally. No data on the small business units are correctly available anywhere in these islands Even the government departments do not monitor the growth and development of the Small Business in these islands. The growth of the SBUs have been traced and their present style of management and their present problems are analysed. It is suggested that a separate department called Department of Small Business Development, A and N islands (DSBDANI) is to be established immediately in the study area to take care of the SBS in these resourceful Islands under the head of the Director, Small Business Development with the qualification of at least a PhD Research Degree Holder in Commerce/ Management/ Administration with his subordinates named Small Business Development Officer (SBDO) with the qualification of at least a Post Graduation in Commerce/ Management/ Administration who may be assigned the related identified functions. The author of the articles strongly believes that if a suitable strategy is formulated in the light of the suggestions given by him and if the same are implemented carefully, the economy of A and N Islands will be developed.

**Keywords:** Small Business Sector, Small Business Units, DSBSANI, SBDO, A and N Islands

## Introduction

In any country, the growth of business (trade, commerce and industry) determines the economic development since they are the base for all activities and all developments. When industry produces the goods and services, the trade facilitates the buying and selling activities whereas the commerce removes the hindrances of person, time, exchange and knowledge in connection with the distribution of goods till they reach the consumers and by doing so, it ensures a free and smooth flow of goods and services from producers to consumers. When such activity-cycle is repeated, the developmental growth occurs, national income increases, the employment opportunities are increased, the backward areas are developed by removing disparity, poverty is reduced, the factors of productions are fully employed and exploited and hence a tangible growth and development is clearly visible and seen. But the branches of the above mentioned activities can very well be started at small scale level which is very easily manageable. Moreover, the small is always beautiful, controllable and manageable. So increasing the Small Business is best way of developing a growing economy.

## Small Business and Economic Development

Small Business Sector (SBS) plays an important role in the economy of any country. Growth of SBS is the parameter to measure the economic development in a country particularly developing country like that of India. The contribution of the SBS to the regional development of the commerce and manufacturing sector, tax revenue to the government and the national income of the country as a whole is undisputed. The SBS plays a positive role in the field of both Inter-state and international relationships. SBS brings and joins the people of different cultures, religions, languages, etc. direct employment in SBS and the indirect was much more. This SBS is easy to start by anybody even with the small amount of capital with fewer resources. The employment opportunities tend to increase in SB Sector. This SBS particularly at the retail level is mainly being a labour intensive sector, providing employment to the semi-skilled and the unskilled.

## The Study Area

The Study Area chosen for the present research work is the Andaman and Nicobar Islands. These islands are historically important and economically resourceful.<sup>1</sup> These islands are situated in the Bay of Bengal and are surrounded by Burma, Thailand, Malaysia and Indonesia. The Islands constitute the most isolated part of the Indian Union, stretching in North-South direction, separated from Indian Mainland by vast stretches of sea. The Andaman group of islands are separated from the Nicobar group of islands by the boisterous 10° channel which is about 155 Kms. Wide and

400 fathoms deep. This territory, comprising an area of 8,293 Sq. Kms., is a group of picturesque islands.

## Statement of the Research Problem

The Study Area i.e Andaman and Nicobar Islands as one group is one of the union territories of India. The resources are plenty. But the people of Andaman and Nicobar Islands fully depend on the Mainland of India for their daily needs including primary vegetables.<sup>2</sup> The economy of these islands in general consists of Trade Commerce and Industry, Forest, Plantation and Agriculture<sup>3</sup> Majority of the resources are un-utilized and whatever so far utilized is also under utilized. People from different parts of India, with different faiths, different caste and creed, different religions and regions are living very happily in these islands. As a branch of Business and Commerce Education and as one of the types of Sector, the Small Business (SB) has a high level potential and prospects in this Study Area. With the growing population, the SB sector has much more to play in the Study Area to solve many problems. But the Management of the Small Business Sector is very poor. Surprisingly, such important sectors of the A and N Islands particularly Andaman Islands have been given little attention. The Small Business Entrepreneurs are handicapped by less knowledge. The problems of Small Business Sector have to be approached, recognized and treated as a separate discipline, because, the analytical models applicable to big business are of limited use in these areas. So, there is a dire necessity for a study on the Small Business and the Small Business Traders in the study area with special reference to bring out the problems and prospects based on an in depth research. But, so far no study has been undertaken to find out the problem, to evolve solution for the problem, and to find out the future prospects. Hence, it is proposed to conduct a study at micro level to trace the growth and development of Small Business in Andaman and Nicobar Islands, to visualize the future prospects, to identify the problems and impediments, to offer suitable suggestion to solve the problems and hence this study.

## Objectives and Methodology

The present study has been undertaken with the objectives to trace the growth of Small Business, to study the Management of Small Business, to analyze and to identify the problems in Management of Small Business in A and N Islands, to offer suitable suggestions to solve the problems of Small Business in A and N Islands and to bring out the potentialities and prospects for the Small Business in these resourceful islands. To the present research, the number of SBU in real sense has been taken through the primary as well as secondary data and interview with the old businessmen to the extent possible. To collect the primary data, to identify the problems and future prospects, the statistical tool, questionnaire was used. Hence it is decided to have a

sample size of 120 Small Business Units from the different Regions of the study area. Only 109 questionnaires were received and among the 109, 07 questionnaires were not properly filled up and hence only 96 questionnaires have been taken for the analysis purposes.

### Need and Importance of the Study

The Small Businessmen take full responsibilities of supplying the goods and service to the people of A and N Islands. Hence the Small Business Sector in A and N islands with the other allied activities need attention of the A and N Administration, Planners, Policy Makers, Hoteliers, Economists, Researchers, Academicians, Tour operators, to find out ways and means to improve the quality of life. Hence the present work is undertaken as a step towards the socio cultural political and economic development in the A and N Islands.

### Small Business Meaning

The business is a regular process of producing or purchasing and selling of goods with the object of earning profits and acquiring wealth through the satisfaction of human wants.<sup>4</sup> As a saying goes that the Small is always beautiful, the Small is always convenient, the small business is always suitable and convenient to manage. In the place of one large business many numbers of small businesses can be made and organised. Moreover, the Small Business form is very much suitable to the places where the population is very less proportionately to the area like A and N islands. So Small Business is best form of business organisation in the places like A and N Islands. The A and N Islands cannot just be compared with the mainland for many reasons. In the Mainland of India all facilities are available and hence the available resources are highly exploited, labourers are also plenty and fully developed with the infrastructural facilities. So the meaning and definition for the Small Business may be in the any ceiling. Whereas in the Andaman and Nicobar Islands resources are plenty, under exploited and these islands welcome the entrepreneurs of all types to come and start business ventures in these islands. The land value, the cost of fixed assets, transportation charges from various parts of Mainland to these islands has been increasing So it is decided to give a new definition for the term "Small Business" in Andaman and Nicobar Islands. By taking all the factors into consideration a service/ business enterprise with investment up to Rs. 25 Lakhs in fixed assets in the business, excluding land and building, is treated as a Small Business. This definition is made only for the present research work in the Andaman and Nicobar Islands.

### Small Business Activities

The liberalization and supportive policies of the Government have gained momentum in the last few years with major plans of diversifications, expansion and modernization of

industrial sector in the country.<sup>5</sup> Hence the small business activities are highly encouraged in these islands. Moreover, small business activities are the only possible economic activities in these islands when considering the population and its spread, density, area etc. By taking the above points the right definition has been constructed and as per the definition constructed for this study purpose, the following activities in A and N Islands have been identified during the survey and field work. These activities are Advertising Agencies, Assembling Computers and sales and Services. Auto, Taxi operators, Auto repair, services and garages, Bakery shops, Book Binding, Book Sellers, Desktop printing etc. Eatable Powders Mills and Sales Outlets, Electronic Repairing, Fish Retailers, Fish Wholesalers, Flour Mills with sales outlet, Manufacturing of Food items with the sales Outlet, Manufacturing of Furniture and Sales, Marketing consultancy,, Pan Shops, Photo Frames, Pooja Materials selling shops, Printing Press, Job Works, Retail Trade of all Consumer Products, Running Cars for Travels, Show room of Consumer Goods, Small Studio, Tailoring and allied Activities, Tea Shops, Tender Coconuts selling spots, Ticket Booking Agency, Tours and Travels, Vegetable Retailers, Vegetable wholesalers and Wholesale Trade of all Consumer Products. Of the small business activities identified above in Andaman Islands, almost all the activities are consumer goods and service oriented. That means the service sector has emerged as the major segment of this Islands' Economy.

### Classification of the Small Business

All the Small Business Units purchase the goods from the Wholesalers of the local and sell the same locally. Some units purchase from the Capital Port Blair or the nearby Taluk Headquarters. For example, a Small Businessmen in Billy ground Village will buy goods and materials either from the Mayabunder or Rangat, from the Port Blair. Normally since their business is with very limited capital and the number of employees is proportionately less, they will not purchase from the mainland. However, whenever they visit mainland occasionally they bring goods from there for their trade/ business. Hence the Small Business Units are classified into three categories on the basis of the Place of Business activities namely 1. Inter-Island Business, 2. Local Business and 3. Commission Businesses (Island-Mainland, Inter-Island as well as Local).

### Small Business Growth

Since there is no compulsion to go for registration, majority of the small business units does not maintain proper accounts for their sale and purchase and other routine transactions. Even the government departments do not monitor the growth and development of the Small Business in these islands. Few units do maintain the records for their own purpose, they feel it must be always under secrete. Moreover, due to the COVID period,

there is general feelings of fear among the owners of the Small Business Units. Hence, they fear to share the data, information and particulars needed for the research purpose. So, the respondents were reluctant to provide the data on the actual value of the purchase and sales. The related institutions also have not recorded any data on sales and purchases, the number of units coming every year etc. So determining the growth of Small Business has become exceedingly difficult. However, with the help of the available data collected both from secondary source and from primary source like interviewing the elderly people from the interior places, the growth of Small Business in Andaman Islands has been traced to the extent possible with the help of the (1) Number of Small Business Shops only registered and (2) Number of Employees in the Registered Small Business shops.

To trace the growth of the small business, the number of Small Business Shops including small restaurants and the persons employed in such business units have been taken from the year 1975 onwards till March 2020 and are shown in once in five years. The following table shows the number of units and employees year-wise and the growth rates based on the Previous Five Years and on the Base Five Years in Andaman and Nicobar Islands.

**Table I. Growth of Small Business Units**

S. No.	Period	Units (Nos)	Cum (Nos)	% OPFY	% OBFY	Emp (Nos)	Cum (Nos)	% OPFY	% OBFY
1.	1975-80	98	98	0.0	0.0	486	486	0.0	0.0
2.	1980-85	229	327	233.7	233.7	1974	2460	406.2	406.2
3.	1985-90	359	686	109.8	600.0	1660	4120	67.5	747.7
4.	1990-95	314	1000	45.8	920.4	1310	5430	31.8	1017.3
5.	1995-'00	296	1296	29.6	1222.4	999	6429	18.4	1222.8
6.	2000-05	420	1716	32.4	1651.0	1565	7994	24.3	1544.9
7.	2005-10	245	1961	14.3	1901.0	1112	9106	13.9	1773.7
8.	2010-15	472	2433	24.1	2382.7	3234	12340	35.5	2439.1
9.	2015-20	5217	7650	214.4	7706.1	19786	32126	160.3	6510.3

Source: DIC, Port Blant. Emp-Employment, OPFY-Over the Previous Five Years, OBFY-Over the Base Five Years

It is very clear from the Table 1, that number of business units has been growing from the first five year block of 1975-80 to the five year block of 2000-05 recording the growth rates of 233.7%, 109.8%, 45.8%, 29.6% and 32.4%. But from the five year block of 2000-05 onwards the growth rate has been decreased suddenly to 14.3%. This is the effect due to the fact that the majority of the shop owners left Andaman Islands due to the earthquake and Tsunami occurred in the year 2004. However, the number shops have started increasing from the five year block 2000-05 onwards by making of growth rates of 24.1% in the five block of 2005-10 and marvelous growth rate of 214.4% in the five year block of 2015-20 respectively over the

respective previous five years. However, the growth rates based on the base year 1975-80 has been gradual, steady and markable that is 233.7% in 1980-85, 600.0% in 1985-90, 920.4% 1990-95, 1222.4% in 1995-2000, 1651.0% in 2000-05, 1901.0% in 2005-10, 2382.7% in 2010-15 and 7706.1% in 2015-20.

As far as the number of persons employed in such units is concerned, it is very clear from the Table that number of employment has been growing from the first five year block of 1975-80 to the five year block of 2000-05 recording the growth rates of 406.2%, 67.5%, 31.8%, 18.4% and 24.3%. But from the five year block of 2000-05 onwards the growth rate has been decreased suddenly to 13.9%. This is the effect due to the fact that the majority of the shop owners left Andaman Islands due to the earthquake and Tsunami occurred in the year 2004. However, the number shops have started increasing from the five year block 2000-05 onwards by making of growth rates of 35.5% in the five block of 2005-10 and marvelous growth rate of 160.3% in the five year block of 2015-20 respectively over the respective previous five years. However, the growth rates based on the base year 1975-80 has been gradual, steady and markable that is 406.2% in 1980-85, 747.7% in 1985-90, 1017.3% 1990-95, 1222.8% in 1995-2000, 1544.9

in 2000-05, 1773.7% in 2005-10, 2439.1% in 2010-15 and 6510.3% in 2015-20.

### Analysis and Discussion

There are many factors responsible for the growth and developments of the SBUs. The study area A and N Islands cannot be compared with the Mainland of India as far as the growth of SBUs is concerned. However, the factors like Sex of the ownership, Domicile, Source of Idea, Form of Business Organization, Educational Levels, Structure of Capital, Source of Capital, Appointment of Staff, Purchases and Sales of the Products, etc., are the most important factors. Data have been collected analyzed and presented.

Table 2. Factors for the Growth and Development of SBUs

Scale	S. No.	Particulars	No. of Respondents	
			No.	%
Sex of the Owners	01	Male	89	92.7
	02	Female	7	7.3
Domicile of the Owners	01	Local	17	17.7
	02	Settler	12	12.5
	03	Tribal	0	0.0
	04	Came from Mainland recently	67	69.8
Sources of Idea to start the Business	01	Self	32	33.3
	02	Parents	17	17.7
	03	Study Reports	34	35.4
	04	Friends	13	13.5
	06	Government Institutions	00	0.0
Forms of Business	01	Sole Traders	57	59.4
	02	Partnership	31	32.3
	03	Company	0	0.0
	04	Cooperatives	5	5.2
	05	Family Business	3	3.1
Educational Levels of the Owner of the Business	01	Below Metric	49	51.0
	02	Metric	21	21.9
	03	Under Graduate	4	4.2
	03	Graduates	13	13.5
	04	Post Graduates	6	6.3
	06	Diploma/ Technical	3	3.1
Structure and Sourced of Capital of the Business	01	Only Owned Capital	48	50.0
	02	Only Borrowed Capital	21	21.9
	03	Owned & Borrowed Capital	43	44.8
	04	Loan from Banks	29	30.2
	06	Loan from Businessmen	9	9.4
	07	Loan from Near & Dears	7	7.3
	08	Loan from Others	0	0.0
	09	Loan from Government	0	0.0
Present Capital Structure of the Business (Rs. In Lakhs)	01	1.0 - 5.0	26	27.1
	02	5.0 - 10.0	24	25.0
	03	10.0 - 15.0	23	24.0
	04	15.0 - 20.0	12	12.5
	06	20.0 - 25.0	11	11.4
Managers, Cashiers and Salesmen Appointed by the Business	01	Only One Manager	69	71.9
	02	More than One Manager	18	18.8
	03	No Manager	09	09.3
	04	Only one Cashier/ Clerk	72	75.0



	05	More than one Cashier/ Clerk	15	15.6
	06	No Cashier / Clerk	09	09.3
	07	Below 5 Salesmen	59	61.5
	08	More than 05 but < 10 Salesmen	28	29.2
	09	No Salesman	09	09.3
	10	Peon & Watchmen	87	90.6
	11	No Peon & Watchmen	09	09.3
Places of Buying the Goods and Services	01	Locally	19	19.8
	02	From Port Blair	48	50.0
	03	From Other Islands	8	8.3
	04	From All the Three	9	9.4
	05	From Commission Agents	12	12.5
Places of Selling the Goods and Services	01	Locally	49	51.0
	02	To Port Blair	12	12.5
	03	To Other Islands	8	8.3
	04	To all the Three	11	11.5
	05	To Commission Agents	16	16.7

Source: Primary data

The above Table 2, shows that the majority of the small business owners are only males. As per the analyzation, only 7.3% are female and remaining 92.7% are males. It clearly shows that the female population is not aware of the small business and the possibilities of making profit and that is also one of the source of Income. The table shows that among the owners, 69.8% people came to these islands from Tamil Nadu, Kolkata, Visakhapatnam, Kerala, Punjab etc., Another fact is revealed by the table is that there are no tribal businessmen in these Islands. 12.5% are from the settler category and 17.7% are the locals i.e., born and brought up in these islands. This is evidence from the analysis that the majority of the people who are engaged in the small business in these Islands are the persons who came recently from the Mainland. Here the word recently means just 20-25 years back from the different places of the Mainland.

The Table 2, shows that the Study Reports, Self Initiations, Parents and Friends are the sources of creation of Ideas to start the retail business in A and N Islands. 33.3% have expressed that they started the business of their own ideas after seeing the prospects for the small business in these Islands. 35.4% have expressed that they started the business after going through the research and study reports written by the different authors and researchers. 13.5% and 17.7% have told that their friends and parents respectively are the initiators to start the business. The table clearly pictures that the role of the Government Institutions in this aspect is nil. The Table shows that the majority of the units belong to Sole Trader form. As per

the analysis, 9.4% are sole traders, 32.3% are partnership firms, 5.2% are cooperatives and 3.1% are the family type of small business. There is no company form of small Business Organisation in these islands.

The above Table depicts that all small entrepreneurs have at least minimum level of education. The education level varies from the below metric to the technical qualifications. From the Table it is very clear that the majority of the retail traders do have the below metric qualification. 51.0% are below metric, 21.9% are the metric qualified, 4.2% is under graduates, 13.5% are graduates, 6.3% are Post-Graduates, 3.1% are holding diplomas and technical qualifications. The table indirectly conveys an important message that Graduates, Post Graduates and Technically qualified persons are not interested in the business Sector. It may be due to the reason that they are not given full awareness about the importance of the self-employment and trade sector.

As per the analysis, 50.0% have expressed that they have started business only with their own capital. Even in borrowed capital, the small businessmen approached only the bankers. 44.8% have expressed that their capital is made from own contribution and borrowed source. 30.2% have expressed that they have borrowed only from Bank. They have also expressed that the facility of getting and availing loan from the government is totally absent in the interior places and islands of Andaman Islands. The above table shows that the majority of the small businessmen constructed their capital structure with their owned capital as well as the borrowed capital. The table also shows that the present capital structure of the small business

organisation of the A and N Islands is in a zig-zag form. But the majority of the traders have their capital between 01 lakh to 15 lakhs. 76.1% expressed that their capital structure is below 15 lakhs. Whereas 12.5 % and 09 respondents 11.4% told that their capital structure is between 15-20 lakhs and 20-25 lakhs respectively. The table shows the reason for such low capital is the small business shops do face financial problems due to their situational factor. That is they do their business in rural areas.

The Table 2, shows that the Number of Traders Appointing Managers, Cashiers and Salesmen. As per the table, 71.9% expressed that they appoint only one Manager, 18.8 % told that they appoint more than one manager and the remaining 09.3% have not appointed any Managers. As far as the appointment of cashier/ clerk is concerned, 75.0% expressed that they appoint only one Cashier/ clerk, 15.6%

traders told that they appoint more than one Cashier and Clerks and the remaining 09.3% have not appointed any Cashier/ Clerks, 61.5% expressed that they appoint below 05 salesmen, 29.2% told that they appoint more than 05 salesmen and the remaining 09.3% of the sample units have not appointed any Peon and Watchman. The Table clearly pictures that the businessmen can not appoint more people because of the non availability of labour in these islands. The table show that the majority of the retail traders purchase from the mainland and from Port Blair. Majority of the retail traders sell locally and to the buyers of the other islands. 24.1% expressed that they buy from Mainland and 42.5% purchase from Port Blair; 56.3% sell locally and 19.5% sell to other islands buyers. Majority of the Small Business Units sells locally, only very few units sell in other islands.

**Table 3. Small Business Units (SBUs) facing Problems in terms of Forms of Business Organisation at Micro Level**

Problems	SBUs facing Problems in terms of Forms of Business Organisation															
	Sole Trader		Partnership		Company		Cooperatives		Family Business		Facing Problem		No Comments		Grand total	
	No.	%	No.	%	No.	%	No.	%	No.	%	Total	%	No.	%	Total	%
Form	57	100.0	31	100	0	0.0	05	100.0	03	100.0	96	100	-	-	-	-
Finance Problem	53	68.8	21	27.3	0	0.0	1	01.3	2	02.6	77	100	19		96	
% on Form	92.9		67.7		0.0		20.0		66.7		%	80.2		19.8		100.0
Labour Problems	51	62.2	24	29.3	0	0.0	5	06.1	2	02.4	82	100	14		96	
% on Form	89.5		77.4		0.0		100.0		66.7		%	85.4		14.6		100.0
Buying Problems	52	81.3	12	18.7	0	0.0	0	0.0	0	0.0	64	100	32		96	
% on Form	91.2		38.7		0.0		0.0		0.0		%	66.7		33.3		100.0
Selling Problems	51	75.0	16	23.5	0	0.0	0	0.0	1	01.5	68	100	28		96	

% on Form	89.5		51.6		0.0		0.0		33.3		%	70.8		29.2		100.0
Realisation Problems	53	67.1	22	27.9	0	0.0	2	02.5	2	02.5	79	100	17		96	
% on Form	92.9		71.0		0.0		40.0		66.7		%	82.3		17.7		100.0
Storage Problems	46	64.8	19	26.8	0	0.0	4	05.6	2	02.8	71	100	25		96	
% on Form	80.7		61.3		0.0		80.0		66.7		%	73.9		26.1		100.0
Transport Problems	39	67.2	16	27.6	0	0.0	0	0.0	3	05.2	58	100	38		96	
% on Form	68.4		51.6		0.0		0.0		100		%	62.5		37.5		100.0
Guidance Problems	49	70.0	14	20.0	0	0.0	4	05.7	3	04.3	70	100	26		96	
% on Form	85.9		45.2		0.0		80.0		100		%	72.9		29.1		100.0
Others	28	43.4	14	26.4	0	0.0	0	0.0	1	01.9	43	100	53		96	
% on Form	49.1		45.2		0.0		0.0		33.3		%	44.8		55.2		100.0

Source: Primary data

The Table 3, clearly pictures that the Sole Trader form of Small Business Units face more problems. Among the Sole Trader form of Business organisation, 92.9% face Finance Problems, 89.5% Labour Problems, 91.5% Buying Problems, 89.5% Selling Problems, 92.9% Realisation Problems, 80.7% Storage Problems, 68.1% Transport Problems, 85.9% Guidance Problems and 49.1% face the Other Problems like Power cuts, communication problems etc. Whereas in the Partnership form of Business organisation, 67.7% face Finance Problems, 77.4% Labour Problems, 38.7% Buying Problems, 51.6% Selling Problems, 71.0% Realisation Problems, 61.3% Storage Problems, 51.6% Transport Problems, 45.2% Guidance Problems and 45.2% face the Other Problems like Power cuts, communication problems etc.

Among the Cooperative form of Business organisation, 20.0% face Finance Problems, 100.0% Labour Problems, 40.0% Realisation Problems, 80.0% Storage Problems, and 80.0% face Guidance Problems whereas in the Family Business form of Business organisation, 66.7% face Finance Problems, 66.7% Labour Problems, 91.5% Buying Problems, 33.3% Selling Problems, 66.7% Realisation Problems, 66.7% Storage Problems, 100.0% Transport Problems, 100.0% Guidance Problems and 33.3% face the Other Problems like Power cuts, communication problems etc. Of the total units facing the Finance problem, 68.8%, 27.3%, 01.3% and 02.6% are the Sole Traders, Partnerships firms, Cooperatives and Family Business type of Business organisation respectively. Labour Problem, 62.2%, 29.3%, 06.1% and 02.4% are the Sole Traders, Partnerships firms, Cooperatives and Family



Business type of Business organization respectively, Buying Problem, 81.3%, 18.7%, are the Sole Traders, Partnerships firms, respectively. Cooperatives and Family Business type of Business organization did not face any buying problems. Selling Problem, 75.0%, 23.5% and 01.5% are the Sole Traders, partnership Firms, and Family type of Business organization respectively, Realization Problem, 67.1%, 27.9%, 02.5% and 02.5% are the Sole Traders, Partnerships firms, Cooperatives and Family Business type of Business organization respectively, Storage Problem, 64.8%, 26.8%, 05.6%, 02.8% are the Sole Traders, Partnerships firms, Cooperatives and Family Business type of Business organization respectively, Storage Problem, 67.2% and 27.6%, are the Sole Traders, and Partnerships firms, type of Business organization respectively, Transport Problem, 67.2%, 27.6% and 05.2 are the Sole Traders, Partnerships firms and family type of type of Business organization respectively, Guidance Problem, 70.0%, 20.0%, 05.7% and 04.3% are the Sole Traders, Partnerships firms, Cooperatives and Family Business type of Business organization respectively and of the total units facing the Other Problems like the power cuts etc., 43.4%, 26.4%, 01.9% are the Sole Traders, Partnerships firms and Family Business type of Business organization respectively.

### Suggestions

The Small Business Units are the most suitable solution for the economic problems at micro level and macro level. No data on the small business units are correctly available anywhere in these islands. Particular about the registered units and unregistered units, their accounts detail, human resource detail, capital details, sales and purchase details are not available. Actually the Deputy Commissioner's Office is the responsible place to keep records on Small Business Ventures in the particulars districts. But it is unfortunate that no data is available in the offices. This situation is to be totally changed and the officers, owners of the small business units, workers and employees, the heads of the educational institutions, the teachers of different disciplines, researchers of the different areas, political persons, large scale business owners, heads of the social organisations, etc., must understand the problems of the sectors and the factors of the economic development of the region with special reference to the Small Business Sector. After the careful analysis and interpretations of the data collected and presented, as a measure for the problems of the Small Business Units in these islands and for the faster growth and development of the Small Business Units in these islands, the following suggestion are given here:

- A separate department called Department of Small Business Development. A and N Islands (DSBDANI) may be created and established under the head of the department of the Director, Small Business

Development with the qualification of at least a PhD Research Degree Holder in Commerce/ Management/ Administration with his subordinates named Small Business Development Officer (SBDO) with the qualification of at least a M.Com Degree Holder in Commerce/ Management/ Administration who may be assigned the following functions

- Issue of License to start any trade or business, any shop including pan shops. Management of forms like 'C' forms, Arrangement of ship, Boat or Road Transport Vehicles for the import, export or transfer of the goods and the Management of the whole import and export trading system
- Attachment of the Food Inspector with this department and the Management of the whole affairs of the warehouse and cold storage at different centers
- Enforcement of the Essential Commodities Act by conducting various seminars and conference about the Small Business Sector to have good quality control of the goods
- Completion of Octroi, Customs clearances, Bill of Lading, Shipping Delivery Order, etc., at one place so that the Small Business units may not face any problem of taking delivery
- DSBDANI may be entrusted with the work of collection of the outstanding amount due to any unit, department, customers, etc. Regulation of proper timings for loading in and unloading trucks in the bazaar areas
- Labour Force and Contract Laborers may be handed over to this department for the effective working regarding loading and unloading. DSBDANI may have its offices under the Small Development officers at important centers as suggested below to help the Small Business Units and the society as a whole.

**Table 4. Suggested Centers for DSBDANI**

S. No.	Name of the Place	S. No.	Name of the Place
1.	Port Blair	10.	Neil island
2.	Ferrar Gunj	11.	Little Andaman
3.	Bambooflat	12.	Car Nicobar
4.	Mayabunder	13.	Terrasa
5.	Rangat	14.	Katchal
6.	Diglipur	15.	Nancowry
7.	Baratang	16.	Kamorta
8.	Kathamthala	17.	Little Nicobar
9.	Havelock	18.	Great Nicobar

Source: Suggested by Dr. N Rajavel, 2021, the Author of this Article.

- Delay in passing the bills by the government department or Pay and Accounts office may be avoided so that the traders do not face the working capital problems. The

government department while purchasing goods and making payments for them may use a uniform pattern without showing any partiality to the known Small Business Units so that all the Small Business Units may not face the inadequate working capital problem

- The present rules related to ownership of land may be modified by the A and N Administration in such a way that the permanent ownership in the place of occupancy right may be given to the right holders and the land may be allotted to the Small Business Units
- The government may introduce the liberal financing system to the Small Business Units after having proper surety from them. Necessary instructions may be given to all the commercial banks and cooperative banks so that the Small Business Units will get financial assistance from the banks.
- The local government must take the labour problem as one of the serious problems. Efforts must be made to combine the employment exchange and the need of the traders. A need based training Programme may be given to the locally available candidates both boys and girls and even the uneducated and less educated men and women with the help of the local colleges. For that a crystal clear policy is to be made.
- The local government may encourage the advertisement in the local newspaper with a moderate rates. Awareness among the Small Business Units is to be brought in about the need of the advertisement and its availability at a very low cost.
- Adequate transport facilities are to be provided to all the interior places particularly in the other islands both by Sea and by Road. All the ship owners may prepare the sailing Programme for both Mainland - Islands traffic as well as for Inter - Islands traffic and the same may be announced at least 60 days in advance. The policy of "It will be announced tomorrow" may be discarded.
- The A and N Administration may construct good warehouses with cold storage facility at important centers of the region so that the traders may store the goods well in advance particularly during the rainy season and at the time of non-availability of transport. Adequate berthing facilities in the harbour and godown facilities and proper lighting arrangements for the protection of cargo from theft and pilferage at the godown may be provided to the ship owners.
- The Inter-Island vessels which are totally idle and berthed in Jetties particularly Marine Jetty, Fisheries and Haddo Jetty may be berthed in Jetties like Junglighat Jetty, Chatham Jetty, etc., where business is less so that the Cargo vessels can be berthed without any difficulties and delay.
- Instruction may be issued by the A and N Administration

to the government department for quick clearance of cargo from the jetty. Otherwise, the slow clearance will render the loading and unloading operation difficult since the space on the wharf is very limited

- The A and N Administration or the Proposed Department of Small Business Development is suggested to take a one hour film covering the different aspects of business particularly the small business including the meaning, how to start, from where the ideas are to be collected, who are to be contacted, from where the financial helps will be available, how to approach them, what are the forms are available with some different purposes, the successful history of the successful entrepreneurs, how to prepare the accounts, what is income tax and all other relevant information may be included in the film and that should be screened to the small businessmen. This is with a view to increase the awareness about the small business development

### Future Prospects

The population and the small business in these islands are closely related. The needs of the growing population are to be met. The challenges that the economy of these Islands is going to face are much more serious than what it has been facing till date. The experience of the region already gained in the supply of the essential commodities during the periods of actual shortage for the same would help in viewing the problem in an altogether different perspective and in designing appropriate strategies for solving them expeditiously. The main objective in the coming years should be to increase the local production and thereby to maximize the output. It is therefore necessary to create suitable changes in the economic environment for achieving this end.

So far, A and N Islands as one of the union territory does not have any specific policies regarding business. The past and the present situations are that the small business units themselves started purchasing goods from the mainland and selling them for the people of A and N Islands in exchange for coconut, copra, etc. during the pre-independence period and for cash at present. Some traders cheated the customers and majority of the traders were also cheated. From this sample study, it is observed that the traders are cheated and disturbed more. The trading sector has been left out without any care in these Islands. For the development of small business, the A and N Administration has not taken any constructive step so far. At present, the small business sector is not properly organized. As suggested earlier the A and N Administration should bring all the units under one umbrella, called Department of Small Business Development. A and N Islands (DSBDANI) under the head of the department of the Director, Small Business Development with the qualification of at least a PhD Research Degree

Holder in Commerce/ Management/ Administration with his subordinates named Small Business Development Officer (SBDO) with the qualification of at least a M.Com Research Degree Holder in Commerce/ Management/ Administration who may be assigned the above mentioned functions. The A and N Administration should formulate a good Small Business Policy While preparing the policy, the following points may be taken into consideration.

- Remoteness of A and N Islands
- Distance between the Islands
- Inadequate transport facilities
- Absence of storage facilities
- Financial weakness of the business units
- Inadequate power supply
- All the suggestions offered in this study

So, business policy is to be designed so as to help the traders of these Islands. The export of raw materials from A and N Islands is to be stopped immediately. For example, coconut, copra, areca unts, sawn timber, logs, shells, etc., are exported at their raw state itself. Instead of exporting at raw stage, supari, scented supari, cips (seeval) etc., can be manufactured in A and N Island itself and exported to the mainland and import of the same can be reduced or even stopped if possible. For better economic health of these Islands, the exports need to be increased faster than the imports. The present rate of importation of essential commodities can be reduced and the export of finished products can be increased by stopping the export of raw materials. Oil, Pan masala, fish, rubber products, pencil, match box soaps, agarpathi etc., need not be imported if the proposed industrial units are started in these Islands.

**Table 5.Expected Places for the Growth Centers for Small Business**

S. No.	Name of the Place	S. No.	Name of the Place
1.	Port Blair	10.	Neil island
2.	Ferrar Gunj	11.	Little Andaman
3.	Bambooflat	12.	Car Nicobar
4.	Mayabunder	13.	Terrasa
5.	Rangat	14.	Katchal
6.	Diglipur	15.	Nancowry
7.	Baratang	16.	Kamorta
8.	Kathamthala	17.	Little Nicobar
09	Havelock	18	Great Nicobar

Source: Suggested by Dr. N Rajavel, 2021, the Author of this Article.

The following places are to be concentrated for the speed development of the Small Business in these islands.

Moreover, there is a considerable demand for the fish products, shell products, cane products, Nicobari products like mat and timber products (furniture) in the mainland

market as well as in the foreign markets. Beche-de-mer, oysters, shark liver oil, etc., have high demand in the South East Asian Countries. A and N Islands (Campbell Bay Island) is situated on the world maritime route. So, there are good prospects for the export trade with foreign countries and the Mainland in the coming decade. This is possible only if the A and N Administration helps in establishing the units under the various business and industries. The Directorate of Industries and the District Industries Center can have a link with the suggested Department of Small Business Development. A and N Islands (DSBDANI) under the head of the department of the Director, named Small Business Development Officer (SBDO) for efficient export of the finished products and import of the required raw materials for the industrial units in A and N Islands. Thus, the future of business activity in A and N Islands appears to be bright.

## Conclusion

Developing the Small Business in these resourceful islands is certainly possible. This is the researcher's view. But policy formulations, effective implementation, are the important aspects. One should work hard with the real thinking of developing these islands. But only a Really Educated Person can take up this challenge and do start the high commendable work. People who are only interested to show their faces in the newspaper photos and TV, accepting garlands and shawl, cannot develop these islands. So once the impediments in the path of the growth of the Small Business is removed and if the effective strategies, Programmes, policies, rules are framed in the light of the suggestions given and the same are carefully implemented, executed and monitored by the dedicated and hardworking officers, Andaman Islands will also contribute to the National Income of India.

Jai Hind

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