Economic development of any region is an outcome of purposeful human activity. Lack of skilled manpower, high unemployment and land prices are other major hurdles in the region. Assam, being the largest state in NER, alone has 2.2 million unemployed youth. Downstream ancillary industries could generate around 1,50,000 jobs, but the Government of Assam doesn't have huge land bank to set up large industries and cannot acquire land by displacing small farmers.

4. **Finance**

Finance is one of the most important problem confronting small scale industries. Finance is the life blood of an organisation and no organisation can function properly in the absence of adequate funds. The scarcity of capital and inadequate availability of credit facilities are the major causes of this problem.
Small scale industries normally tap local sources for meeting raw material requirements. These units have to face numerous problems like availability of inadequate quantity, poor quality and even supply of raw material is not on regular basis. All these factors adversely affect the functioning of these units. Small units face severe problems in procuring the raw materials whether they use locally available raw materials or imported raw materials. The problems arise due to faulty and irregular supply of raw materials.

There is under utilisation of installed capacity to the extent of 40 to 50 percent in case of small scale industries. Various causes of this under-utilisation are shortage of raw material problem associated with funds and even availability of power. Small scale units are not fully equipped to overcome all these problems as is the case with the rivals in the large scale sector.

Small scale entrepreneurs are not fully exposed to the latest technology. The units are striving hard to employ modern machineries and equipment in their process of production in order to compete with large industries. Most of the small units employ outdated and traditional technology and equipment. Lack of appropriate technology and equipment create a major stumbling block for the growth of small-scale industries.

Most of the small-scale units are working below full potentials or there is gross underutilization of capacities. The small scale units are making only 40 to 50 percent use of their installed capacities. Various reasons attributed to this gross under-utilisation of capacities are problems of finance, raw material, power and underdeveloped markets for their products.

Another important problem faced by small scale entrepreneurs is poor project planning. These entrepreneurs do not attach much significance to viability studies i.e. both technical and economical and plunge into entrepreneurial activity out of mere enthusiasm and excitement. They do not bother to study the demand aspect, marketing problems, and sources of raw materials and even availability of proper infrastructure before starting their enterprises.

Managerial inadequacies pose another serious problem for small scale units. Modern business demands vision, knowledge, skill, aptitude and whole hearted devotion. Competence of the entrepreneur is vital for the success of any venture. An entrepreneur is a pivot around whom the entire enterprise revolves.

Small-scale units find it very difficult to compete with the product of large-scale units and imported articles which are comparatively very cheap and of better quality than small units product. Small businesses may have difficulty competing with large businesses that are able to mass produce products inexpensively. It is possible for a large scale firm to produce mass product at a time and that becomes cost efficiency also.

Besides the above problems, small-scale units have been of constrained by a number of other problems also. They include, old and orthodox designs, high degree of obsolescence and huge number of bogus concerns. Due to all these problems the development of small-scale industries could not reach a prestigious stage in the NER.

To summarize, it can be said there are various problems faced by the MSMEs of the study area like absence of adequate and timely banking finance, limited capital and knowledge, poor infrastructure, non-availability of suitable technology, low production capacity, poor quality products, ineffective marketing strategy, lack of marketing ability, constraints on modernisation & expansions, incidence of sickness, delayed payments to banks and financial institutions, non availability of skilled labour at affordable cost, lack of awareness, managerial quality etc. These problems of the MSMEs are putting hurdles in the growth of the MSME sector in the region and the country as a whole.

REFERENCES: