

## **Chapter 7**

### **Summary and Conclusions**

This research converges to create the most likely profile of a 'typical' Rajasthani entrepreneur. A typical entrepreneur in Rajasthan is a well-educated (graduate or above) male and a self-starter belonging to a higher age group (35-59), who often hails from an extended family. About two thirds of his / her parents are self-employed and belong to the middle and higher income groups. A majority (90%) of these entrepreneurs have prior experience and three-fourths of them had prior business ownership experience.

With regard to the future plans of existing entrepreneurs there was a mixed response,: 48% said that, they would start a business in next three years and 40% of the respondents said that they did not have any plan to start a business in near future. The remaining 12% weren't sure to start any business in three years. Expansion and diversification were the most frequently mentioned reasons for starting a business.

Contrary to the widespread belief that money motivates people to choose entrepreneurship as a career option, personal characteristics followed by business reasons were stated as the most important factors in starting a business in Rajasthan. Government bureaucracy, followed by lack of finance and funding options and non-availability of adequate marketing facilities were the serious problems faced by industrial entrepreneurs in Rajasthan.

The general public understood the term 'industrial entrepreneurship' to mean: a source of employment and career opportunity, starting a business and producing and selling goods, and a means of making profits and income.

Around 52% of the respondents expressed an interest in starting their own business (intended entrepreneurs). However, a majority (52.35%) of them were not able to give any definite time period within which they would start the business. Others, who mentioned the time, preferred it between one year to five years. The intended

entrepreneurs were interested mostly in providing education and allied services (schools, coaching centers, beauty parlors, transport services, tailoring and consultancy) and trading (export, imports, kirana stores, agencies and household items) businesses. Less than 12% were interested in manufacturing. They were specifically interested in farm based products and industries related to minerals and stones. Majority (70%) of the intended entrepreneurs were from students, housewives and the self-employed. The percentage (9.42%) of intended entrepreneurs among government employees and private sector employees were almost similar. Analysis of the educational qualifications of the intended entrepreneurs revealed that, as educational qualification increased, the percentage of intended entrepreneurs also increased except for postgraduates. One possible reason for this could be that, postgraduate programmes in India are tuned towards preparing candidates for a job or a profession rather than self-employment or an entrepreneurial career.

Around 47% of the sample studied were unlikely to commence their own business. The reasons given included family matters ('other family members are already in business', 'housewife', 'need to take care of parents', etc.), satisfaction with the current job, dislike of entrepreneurship, etc. Lack of finance, inability to take risk and the need to pursue further studies were the least frequently quoted reasons for not starting a business.

The motivation to start a business and reasons for not starting a business may be grouped into two distinct categories. In order to induce people to start their own business a two-step approach should be followed. To start with, obstacles (i.e. reasons for not starting a business) should be removed as the 'pull' factor and encouragements be given as 'push' factors. These could be recognition of entrepreneurs in the society, ability to utilize individual freedom, flexibility in the use of one's time and realizing one's own ideas, assured availability of inputs etc.

In Rajasthan the overall attitude of the general public towards entrepreneurship as a career option has been positive. Over half of the population feels that, entrepreneurship is a good career choice and a respectable way to earn a living. Most of them also believe

that entrepreneurs contribute to the development of the society. As far as the success of entrepreneurs is concerned there was a mixed response among the respondents. Opinion was divided almost equally over the proposition that more entrepreneurs succeed than fail in entrepreneurship. Comparison of the overall perception analysis with the gender-wise, age-wise and income-wise analysis revealed very little difference in attitudes towards entrepreneurship as a career option.

Even though government policies and programmes attempt to create entrepreneurial opportunities, the public does not have a favorable perception of these policies. Various programmes for stimulating and supporting entrepreneurship among women, rural population, less educated and lower income groups, etc. need to be made more effective. The information on entrepreneurship programmes has not been widely disseminated among potential entrepreneurs. Even though there are a wide variety of these programmes and they have also been well-designed, it appears that the major problem lies in their implementation.

Initiatives by the government and other institutions involved in promoting entrepreneurship need to focus on motivating individuals so that they choose entrepreneurship as a career option. There is also an urgent need for inculcating these attributes in individuals through educational training programmes at the school and college level, and through special programmes like the motivational camps to promote entrepreneurship in Rajasthan carried out by the Department of Science and Technology (DST). The Government should take initiatives to recognize the contribution of entrepreneurs to the society by providing rewards and titles to them. Profiles of successful entrepreneurs have to be created and shown as the celebrity to the youth to motivate them to start businesses. Entrepreneurs should also be involved as the mentors to provide guidance to aspiring entrepreneurs.

## **Industrial Scenario in Rajasthan: Some future trends**

In order to project the future state of entrepreneurship in Rajasthan, an expert opinion survey was conducted. Thirty experts were identified. These experts were from industry, government, academic and non-profit organizations. However, even with consistent follow up only four responses were obtained. Based on the identical suggestion made by two of the experts, a trend forecast was carried.

Data collected about the SSIs in the different districts revealed that no district exhibited negative growth; only positive rates of growth were witnessed.

### **7.1 Limitation of the Study:**

This work being exploratory in nature there is indeed little scope for delivering robust conclusions. Nevertheless, it was an essential step in developing a better understanding of entrepreneurship in Rajasthan. The study has two major limitations. The first is the geographical limitation arising from the focus on Rajasthan. India, being a vast and diverse nation, drawing broad generalizations from this study is neither prudent nor advisable. The other limitation is that even though 617 industrial units were approached during the conduct of the study the response rate was not encouraging. Since only sixty of them responded, these findings should be considered only as indicative.

### **7.2 Scope of Further Research:**

There are several issues that can be taken up for further exploration and analysis.

A similar study can be carried out considering the service sector SSI's, Small Scale Service Business Enterprises (SSSBE) in the areas of trade, tourism, etc., so as to be able to draw generalized conclusions from a wider cross-section of industries.

Also, a study based on the same research designs may be carried out for the other states of India.

There is need for a study on the awareness and usage pattern of institutional infrastructure available for entrepreneurs. It is particularly important to examine the effectiveness of the institutional financing process and its effect on entrepreneurship development.

It would be useful to study how opportunities are identified and assessed by entrepreneurs. This can be another important input for policy makers.

Additional research is required on the relationships between entrepreneurs and family-business development.

It has been observed that women-led enterprises are rare in Rajasthan. Further study could focus on this area to determine the causes for the same and prescribe suitable measures to improve the share of such enterprises.

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