“AN EMPIRICAL STUDY OF SMALL SCALE ENTREPRENEURS IN SOLAPUR DISTRICT”

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## INDEX

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Contents</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chapter – 1 : Introduction</td>
<td>03</td>
</tr>
<tr>
<td>2.</td>
<td>Chapter – 2 : Review Of Literature And Research Methodology</td>
<td>41</td>
</tr>
<tr>
<td>3.</td>
<td>Chapter – 3 : Socio-Economic Profile Of The Solapur District</td>
<td>84</td>
</tr>
<tr>
<td>4.</td>
<td>Chapter – 4 : Government Policy And Schemes For Small Scale</td>
<td>113</td>
</tr>
<tr>
<td>5.</td>
<td>Chapter – 5 : Business Performance Of Small Scale Entrepreneurs In Solapur District</td>
<td>154</td>
</tr>
<tr>
<td>6.</td>
<td>Chapter – 6 : Summary of Findings, Conclusions and Recommendations</td>
<td>244</td>
</tr>
<tr>
<td>7.</td>
<td>Bibliography</td>
<td>258</td>
</tr>
<tr>
<td>8.</td>
<td>Appendix</td>
<td>265</td>
</tr>
</tbody>
</table>
CHAPTER- I

INTRODUCTION

1.1 Introduction:

Entrepreneur plays a pivotal role in the economic development of any country. Entrepreneurs are considered to be the most important economic agents for economic augmentation of any country. They act as owners, producers, coordinators, market makers, decision makers, risk takers and innovators. They provide an important allocation of resources for the best interest of their enterprises as well as the country. They are the economic pioneers initiating changes in the country/economy. They strive to increase productivity and improve the quality production techniques, better plant layout and effective marketing policies. They ensure production of better quality of goods & services at lowest cost. They generate employment opportunities and arrange for the betterment of the standard of living. The entrepreneur are the dynamic persons for innovation and gap filling (for market deficiencies) for economic development.¹

Development of Entrepreneurship:

Development of entrepreneurship talents seem to be the only way out to meet the twin needs of creating employment opportunities and much needed industrialization of the back-ward areas. Papanek (1962) observes that within any society, only a limited number individuals have entrepreneurial attributes in sufficient degree to be actual or potential entrepreneurs. A developing economy use to possess talent entrepreneurial attributes and both economic and non-economic factors play a useful role in producing accelerated development of the economy. Economic objective of the plans, creating a self-reliant and self-generating economic provide incentives to the growth of industrial entrepreneurship in general and private entrepreneurship in particular. Initiative, social climate & cultural heritage are also required for development of entrepreneurship. The government actions influence on the growth of entrepreneurship.

Technological, legal, political, economic, demographic, ecological and cultural dements are helpful in developing entrepreneurship. Socio-economic characteristics viz., community, occupation, educational level, earnings at the time of entry into
entrepreneurship, rural / urban background and the pattern of families are conductive for the growth and development of entrepreneurship. Socio-psychological factors including family, peer group, formal and informal associations, financial capabilities, availability of materials and technology are also responsible for the entrepreneurial development. Personally, need for achievement aspiration for better standard of living, establishment of social status, mental ability and technical knowledge and the social and political environments are the most vital factors conductive to the creation of an environment for the growth of entrepreneurship.

A successful entrepreneur should have perseverance and hard working habit, risk-taking ability, high aspiration, willingness to learn, dynamic and creative nature, adaptability, innovativeness, good salesmanship, ability to win friends and overcome crisis, initiative, self-confidence will power, determination to succeed, pleasing personality and tactfulness, high integrity, responsibility, excellence in work and perception of time. The success of entrepreneurship depends on some personality factors also viz., self-knowledge, imagination, practical knowledge or experience, analytical ability, search skill, foresight computational skill, communication skill, delegation skill and organizational skill. The entrepreneurs who are sociable, adaptable, truthful, co-operative, logical, aggressive, preserving, practical, patient, independent, tough minded, emotionally mature and free from anxiety become highly successful in their ventures.

**Entrepreneur : An Economic Pioneer:**

The entrepreneurs perform dominating roles in creative thinking, leadership, management and production of goods and services for economic pioneering. Berna (1960) state that entrepreneurs constantly strive to raise productivity and improve the quality of output through the application of more efficient production methods, better plant layout and organization of production, improved labour relations, more effective marketing technique maximum output at lowest cast. Schumpeter (1961) states that as an innovator the entrepreneur carry out the following activities:

i) Introduction of new goods.
   
ii) Introduction of new methods of production.
   
iii) Opening of new markets.
   
iv) Opening of new sources of supply and
An economic agent, entrepreneurs use the resources having both qualitative and qualitative attributes. The entrepreneur undertakes or manage the risk and handle economic uncertainty, ensure planning and innovation co-ordinate, administer, control and supervise the routine works of the enterprises. They are to make investment decision under conditions of uncertainties and to take decision so as to increase production. The entrepreneurs search and discover economic information and translate them into new market techniques and goods and seek and discover economic opportunities and evaluate them and marshal the financial resources necessary for the enterprise.

Singh (1986) considers entrepreneurship in terms of economic development, which fosters the development of entrepreneurial abilities. A country is poor because there is a dearth of entrepreneurial development. The country with sound entrepreneurial development is economically viable. Thus, the entrepreneurial ability is considered to be the important factor in bringing the economic development of any country. The economic development of any less developed or under developed country is the promotion and creation of small-scale entrepreneurship which can provide self-employment opportunity and utilization of local raw materials.

1.2 Concept / Definition of Entrepreneurship

The word entrepreneurship is derived from 17th century French ‘entreprendre’, refers to individuals who were ‘undertakers’ or ‘undertook’ the risk of new enterprise. They were Tax contractors’ who bore risks of loss or profit while collecting individual taxes. If they collected more than the sum paid for their licenses, they use to get profits and kept the excess. If they failed to collect enough to match the cost of their licenses, government officials, who already had their money from licenses fees, could not give the money back. Entrepreneurship was a common topic in economic essays for much of the 18th and 19th centuries. Early French, British and Austrian economists wrote enthusiastically about entrepreneurs as the ‘Change agents’ of progressive economics.

Richard Cantillors, a French economist of Irish descent, in his Essai sur la nature du commerce on general, published in 1755, described an entrepreneur as a person who pays a certain price for a product to resell it at an uncertain price, thereby
making decision about obtaining and using resources, while consequently assuming the risk of enterprise.²

Adam Smith spoke of the ‘enterpriser’ in his 1776 wealth of Nation as an individual who undertook the formation of an organization for commercial purpose. He thereby ascribed to the entrepreneur the role of industrialist, a person with unusual foresight who could recognize potential demand for goods and services. Therefore, entrepreneurs reacted to economic change, thereby becoming the economic agents who transformed demand into supply.

French economist Jean Baptiste Say in his A Treatise on political Economy, described an entrepreneur as one who possessed certain arts and skills of creating new economic enterprises, yet a person who had exceptional insight into society’s needs and was able to fulfill them. Say, therefore, combined the ‘economic risk taker’ of Cantillon and the industrial manager’ of Smith into an unusual character. Say’s entrepreneur influenced society by creating new enterprises and at the same time was inshtenced by society to recognize needs and fulfill them through astute management of resources.³

Carl Menger, in Austria established in his 1871 Principles of Economics the ‘Subjectivism’ perspective of economics’ that economic change does not arise from circumstances but from an individual’s awareness and understanding of those circumstances. The entrepreneur becomes, therefore, the change agent who transforms resources into useful goods and services, often creating the circumstances that lead to industrial growth.

Robert Ronstadt definition of entrepreneurship:

Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time, and career commitment of providing value for some product or service. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources.⁴

Entrepreneurship is defined differently by different people some call entrepreneurship as ‘risk-bearing’, others view it ‘innovating’ and some consider it ‘thrill-seeking’.

“Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity,
and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition”

(Kao and Stevenson 1984) (Entrepreneurial Development Dr. Khanka SS P. 36-37)

A.H. Cole 1959 defines, “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to imitate, maintain or aggrandize profit by production or distribution of economic goods and services”

According to Joseph Schumpeter 1939, “Entrepreneurship is based on purposeful and systematic innovation. It includes not only the independent businessman but also company directors and managers who actually carry out innovative functions.”

Entrepreneurship is a process involving various actions to be undertaken to establish an enterprise. It is, thus, process of giving birth to a new enterprise. Innovation and risk-bearing are regarded as the two basic elements involved in entrepreneurship.

**Innovation** i.e. doing something a new or something different is a necessary condition to be called a person as an entrepreneur. The entrepreneurs are constantly on the look out to do something different and unique to meet the changing requirements of customers. They may or may not be inventors of new products or new methods of production, but they possess the ability to foresee the possibility of making use of the inventions for their enterprises. Since customer’s taste and preferences always keep on changing hence the entrepreneur needs to apply invention after invention on a continuous basis to meet the customer’s changing demands for products.

**Risk- Bearing** Starting a new enterprise always involves risk and trying for doing something new and different is also risky. The enterprise may earn profits or incur losses because of various factors like increasing competition, changes in customer preferences, and shortage of raw material and so on. An entrepreneur, therefore, needs to be bold enough to assume the risk involved in the enterprise. In fact, he or she needs to be risk-taker, not risk avoider. His risk-bearing ability enables him even if he fails in one time.

Peter Drucker’s view on Entrepreneur – “Innovation is the specific tool of entrepreneurs. According to him systematic innovation, consists in the purposeful and organized search for changes and in the systematic analysis of the opportunities such changes might offer scope for economic and social innovation.”
According to Drucker, three conditions have to be fulfilled.

Innovation at work. It requires knowledge and ingenuity. It makes great demands on diligence, persistence and commitment. To succeed, innovation must build on their strength. Innovation always has to be close to the market, indeed market-driven.

Walker’s view on Entrepreneur – According to Frances A. Walker, the true entrepreneur is one who endowed’ with more than average capacities in the task of organizing and coordinating the various other factors of production. He should be a pioneer, a captain of industry. The supply of such entrepreneurship is quite limited and enterprise in general consists of several grades of organizational skill and capability. The more efficient entrepreneurs receive a surplus reward over and above the managerial wages and this sum constitutes true profit ascribable to superior talent.

New concept of Entrepreneur – The term ‘Entrepreneur’ as one who detects and evaluates a new situation in his environment and directs the making of such adjustments in the economic systems as he deems necessary. He conceives of an industrial enterprise for the purpose, displays considerable initiative, grit and determination in bringing his project to fruition”, and in this process, performs one or more as the following:

- Perceives opportunities for profitable investments;
- Explores the prospects of starting such a manufacturing enterprise;
- Obtains necessary industrial licenses;
- Arranges initial capital;
- Provides personal guarantees to the financial institutions;
- Promises to meet the shortfalls in the capital; and
- Supplies technical know-how.

1.3 Growth and Development of Entrepreneurship:

Development of entrepreneurship depends upon the following factors:

1. Availability of Materials:

Easy availability of materials attracts more individuals towards entrepreneurship. Any particular material in any area gives specific support to certain entrepreneurs to establish and develop industries related to these materials.
2. **Availability of Technology:**
   
   Availability of technology in the area of the entrepreneurs facilitate has movement towards entrepreneurship. Some people become entrepreneurs by availing themselves of the easy technology in nearby areas, beside, choice of technology plays an important role in the development of entrepreneurship.

3. **Independence:**
   
   Independence is important for entrepreneurship. An entrepreneur works out plans on his own, searches and explores resources and experiences and inner urge to make the enterprise a success instead of waiting for suggestions or directions from others.

4. **Ethic Origin:**
   
   Ethic origin and social class appear to be important factors in making an entrepreneur. Ethic factors effects the kind of persons who become self-employed entrepreneurs.

5. **Skills:**
   
   The two types of skills are important for the success and development of an entrepreneur.
   
   a) **Project Development Skill**
   
   An entrepreneur plans to establish an enterprise. In order to be effective, he should know how to conceive the project the stage through which he should go to establish it, the information he may have to consider in taking investment decisions etc.

   b) **Enterprise Management Skills:**
   
   Once an enterprise is started, its proper management which is crucial to its survival and growth has to be ensured. Management skills relate to accounting and financing control, marketing, production, planning and inventory control and to manage the people who work in enterprise.

6. **Age of the entrepreneur:**
   
   Age predicts the possibility of effective working of the entrepreneurs. Some of entrepreneurs achieve their success at certain ages. The age of the entrepreneurs refer to the age of the entrepreneurs at the time of establishment of the respective units. Age has no immediate effect on the success of the enterprise but it influences the success or failure to some extent.
7. **Training and Previous Experience:**

Training refers to period spent by an individual entrepreneur in addition to formal education to acquire particular skill. Previous experience refers to any remunerative activity in which the entrepreneur was engaged prior to the establishment of this unit. These have greater impacts on the success of the entrepreneurial ventures.

8. **Choice of Line of Manufacture:**

The choice of line of manufacture is an important decision. The profitability of different lines of manufacture, the position regarding the supply of inputs, the existing demand for the product, institutional assistance available etc. are the considerations which are to be weighted before coming to a decision about the choice of the line of manufacture. This may also be influenced by the government, institutional, friends and relatives, hereditary occupation and self-motivation.

9. **Friends:**

The influence of friends plays a significant role in the development of the idea of entrepreneurship. An entrepreneur friend is likely to induce people towards entrepreneurship. (Singh, 1986)

10. **Peer Group:**

The peer group has a definite influence on the development of entrepreneurship. (Singh, 1986)

**Psychological Factors**— which are responsible for the growth and development of entrepreneurship.

1. Perceptual ability;
2. Risk-taking propensity;
3. High frustration tolerance;
4. Openness to feedback;
5. Emotional stability;
6. Calmness and cooperativeness;
7. Ability to express hostility tactfully;
8. Ability to accept victory and defeat without too much emotions;
9. Positive self-concept;
10. Self-confidence;
11. Patience and sagacity;
12. Energetic and resourceful;
13. Ability to adjust to changing condition;
14. Inner awareness of self as a permanent organizing force;
15. Intellectual abilities;
16. Self-knowledge and imagination;
17. Analytical ability and foresight;
18. Search skill, computation skill, communication skill, delegation skill and organizational skill;
19. Expectancy and motives;
20. Mental alertness.

**Sociological Factors** - The following social factors are responsible for growth and development of entrepreneurship.

1. Family- The family has most significant impact on the early development of entrepreneurship.
2. Cast/community- Cast and community are the most important socio-cultural determinants of entrepreneurial supply and performance (Rao, 1986)
3. Educational Background- Education plays a vital role in the development of human resource vis-à-vis entrepreneurship providing a feeling of self-realization of creativeness. The education system has implications for the development of entrepreneurial abilities. (Casson, 1982)
4. Economic and Social Environment – The socio-economic bases of entrepreneurship is an important ingredient of economic development. Economic and Social Environment includes the following:
   a. Economic Status- Economic status of own and parents contribute to the development of entrepreneurship.
   b. Religion – Religion shape – domestic, economic and political institutions. The performance of an individual entrepreneur are directly and indirectly inspired by religious ideals. Religion plays a vital role in entrepreneurial development.
   c. Culture – Culture factors have an important role in shaping human behavior and attitude culture has influence on the development of entrepreneurship.
5. Political Environment – In modern times, political environment is very helpful for the creation, growth, and development of entrepreneurship.

6. Social Responsibility – Social responsibility of business is likely to be that combination of factors in poverty and civic participation that already occupies much of the thinking and activity of businessmen as well as other citizens of the community. An entrepreneur generates employment for others besides helping himself. Entrepreneur who are responsive to the needs of the community become successful. (Singh, 1986)

1.4 Nature and Development of Entrepreneurship –

Earliest period – The word entrepreneur is French and literally translated, means ‘between-taker’ or ‘go-between’. Marco Polo was an entrepreneur of an early period far East. Marco Polo would sign a contract with a money person i.e. venture capitalist to sell his goods. A common contract during this period provided a loan to the merchant – adventure at 22.5 percent rate, including insurance. While the capitalist was a passive risk bearer, the merchant – adventure successfully sold the goods and completed the trip, the profits were divided with the capitalist taking most of them up to 75 percent, while the merchant –adventure settled for the remaining 25 percent.

Middle Ages- In the middle ages, the term entrepreneur was used to describe both an actor and a person who managed large production projects. This individual did not take any risk, but merely managed the project using the resources provided, usually by the government of the country. A typical entrepreneur in the middle ages was the cleric-the person in charge of great architectural works, such as castles and fortifications, public buildings, abbeys and cathedrals.

17th Century – The reemergent connection of risk with entrepreneurship developed in 17th century, with an entrepreneur being a person who entered into a contractual arrangement with the government to perform a service or to supply stipulated products. Since the contract price was fixed, any resulting, profits or losses were the entrepreneur’s John Law, a Frenchman, was one entrepreneur in this period, who was allowed to establish a royal bank. The bank eventually evolved into an exclusive franchise to form a trading company in the new world- the Mississippi Company. Unfortunately, this monopoly on French trade led to Law’s downfall when
he attempted to push the company’s stock price higher than the value of its assets, leading to the collapse of the company.

Richard Cantillon, an economist in the 17th century understood Law’s mistake. He viewed the entrepreneur as a risk taker, observing the merchants, farmers, craftmen and other sole proprietors’ buy at a certain price and sell at an uncertain price, therefore operating at a risk.

18th century – In the 18th century, the person with capital was differentiated from the one who needed capital. It means the entrepreneur was distinguished from the capital provider i.e. venture capitalist. The reason for this differentiation was the industrialization occurring throughout the world. Many of the inventions developed during this time were reactions to the changing world. Eli Whitney and Thomas Eidson were developing new technologies and were unable to finance their inventions themselves. Both were capital users (entrepreneurs), not providers (venture capitalist). A venture capitalist is a professional money manager who makes risk investment from a pool of equity capital to obtain a high rate of return on the investments.

19th and 20th Century – In the 19th century entrepreneurs were briefly stated, as the person who organizes and operates an enterprise for personal gain. He pays current prices for the materials consumed in the business, for the use of land, for the personal service he employees, and for the capital he requires. He contributes his own initiative, skill and ingenuity in planning organizing and administering the enterprise. He also assumes the chance of loss and gain consequent to unforeseen and uncontrollable circumstance. The net residue of the annual receipts of the enterprise after all costs have been paid, he retains for himself”.

In the middle of the 20th century, the nation of an entrepreneur as an innovator was established “The function of the entrepreneur is to reform or revolutionize the pattern of production by exploiting an invention or more generally, an untried technological method of producing a commodity of producing an old one in a new way, opening a new source of supply of materials or a new outlet for products, by organizing a new industry.”

1.5 Growth of Entrepreneurship in India –

The growth of entrepreneurship in India, is presented into two sections, viz. Entrepreneurship during Pre-Independence and Post – Independence.
Entrepreneurship during Pre-Independence-

The evolution of the Indian entrepreneurship can be traced back to even as early as Rigveda, when metal handicrafts existed in the society. The human civilization itself, and was nurtured by the craftsmen as a part of their duty forwards the society. The Indian towns were mostly religious and aloof from the general life of the country. The elaborated cast-based diversion of workers consisted of farmers, artisans and religious section i.e. Brahmins. The majority of artisans were treated as village servants. Such compact system of village the Krishna Mills in its advertisement of Tribune of April 13 made the following appeal: “Our concern is financed by native capital and is under native management throughout (Joshi 1975)”.

The second wave of entrepreneurial growth in India began after the first world was. For various reasons, the Indian Government agreed to ‘discriminating’ protection to certain industries, even requiring that companies receiving their benefits should be registered in India with rupee capital and have a proportion of their directors as Indian. The advantages of these measures were mostly enjoyed by the Indians. These measures helped in establishing and extending the factory manufacturing in India during the first four decades of the twentieth century. During these decades, the relative importance of Parsis declined and Gujaratis and Marwari Vaishyaa gained that pendulum in India’s entrepreneurial scene.

Entrepreneurship during Post-Independence

In 1947, the Government of India tried to spell out the priorities to devise a scheme for achieving balanced growth. For this purpose, the government came forward with the first industrial policy, 1948 which was revised from time to time. The government in her various industrial policy statements identified the responsibility of the state to promote assist and develop industries in the national interest. It also explicitly recognized the vital role of the private sector in accelerating industrial development and, for this; enough field was reserved for the private sector. The Government took three important measures in the industrial resolutions:

- To maintain a proper distribution of economic power between private and public sector.
To encourage the tempo of industrialization by spreading entrepreneurship from the existing centre’s to other cities, towns and villages.

To disseminate the entrepreneurship acumen concentrated in a few dominant communities to a large number of industrially potential people of varied social strata.

To achieve these adumbrated objectives, the Government accorded emphasis on development of small scale industries in the country. Particularly since the Third Five year plan, the Government started to provide various incentives and concessions in the form of capital technical know-how, markets and land to the potential entrepreneurs to establish industries in the industrially potential areas to remove the regional imbalance in development. This was, indeed, a major step taken by the Government to initiate interested people of varied social strata to enter the small-scale manufacturing field. Several institutions like Directorate of Industries corporations small Industries service institute were also established by the Government to facilitate the new entrepreneurs in setting up their enterprises. Expectedly, small-scale units emerged very rapidly in India witnessing a tremendous increase in their number from 121, 619 in 1966 to 190, 717 in 1970 registering an increase of 17,000 units per year during the period under reference. The fact remains that even the small entrepreneurship continued to be dominated in business communities though at some places new groups of entrepreneurs to emerged. Also, there are expels that some entrepreneurs grew from small to medium-scale and form medium to large-scale manufacturing units during the period. The family entrepreneurship units like Tata, Birla, Mafatlal, Dalmia, Kirloskar and other grew beyond the normally expected size and also established new frontiers in business in this period.

1.6 Growth of Women Entrepreneurship in India –

The review of developmental literature reveal that the contribution of women in direct productive work was first brought about in 1970’s with Ester Boserup’s book, ‘Women’s Role in Economic Development’ which was an outcome of Boserup’s research experience in India. It was during 1970’s; more attention was given to the women’s productive roles than the reproductive once (Like childbearing and rearing, housekeeping and care of the elders.) In the 1980’s the gender and development approach took the women life into totality rejecting the public/private dichotomy which devalues women’s role at home. The planning commission of the
Government of India realized that economic development. Development cannot take place unless the people at the grassroots’ level are not involved in the development programmes. This, among other things, underlined the need for entrepreneurship development programmes for women to enable them to start their own small-scale industries. Accordingly, the focus on economic development made women the ‘Subjects’ rather than ‘Objects’ of development and ‘change agents’ rather than ‘welfare recipients’. This also made women to move from margin to the centre by empowering women to gain control over their lives (Hooks 1984) Considering the dual roles of women at home and work, developmental approaches tried to harmoniously combine women’s’ home life with work life.

In India, women entry into business is a new Phenomenon. Women entry into business or entrepreneurship is traced out as an extension of their kitchen activities mainly to 3 P’s, viz, Pickles, Papad and Powder. Women in India plugged into business for both pull and push factors Pull factors imply the factors which encourage women to start an occupation or venture with an urge to do something independently. Push factors refers to those factors which compel women to take up their own business to tide over their economic difficulties and responsibilities with growing awareness about business and spread of education among women over the period, women have started shifting from 3 ps to engross to 3 Es, viz, Engineering, Electronics and Energy and other industries under Intergrated Rural Development Programmes (David 1992) They have excelled in these activities. Women entrepreneurs manufacturing solar cookers in Gujarat, small foundries in Maharashtra and T.V, capacitors in Odisha have provide beyond doubt that given the opportunities, they can excel their male counterparts, (Moore and Buttner 1997).

1.7 SMALL ENTREPRENEURS/ ENTERPRISES : MEANING AND DEFINITION

Small and large-scale enterprises are two legs of industrialization process of a country, Hence, small-scale enterprises have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. Today, India operates the largest and oldest programmes for the development of small-scale enterprises in any developing country. As a matter of fact, small sector has now emerged as a dynamic and vibrant sector for the Indian economy in the recent years. Therefore, it is to know the major aspects of this sector in the national
Small entrepreneurs/enterprises’ popularly called ‘small-scale Industries (SSIs)’ in our country. Small-scale enterprises contribute significantly to social and economic development objectives such as labour absorption, income distribution, rural development, poverty eradication, regional balance and promotion of entrepreneurship. In addition, a low capital requirement, given an appropriate market environment, is believed to stimulate growth of numerous indigenous industries with wide regional dispersal. This helps to promote balance growth, ensure more equitable income distribution, as well as diversification of the industrial structure which often leads to increased utilization of national resources. It will also contribute to the growth of the right type of entrepreneurship in the country.

In the Indian context, small entrepreneurs play a key role in the economic development besides acting as a breeding ground for the entrepreneur. In the post-independence period as any 18 million entrepreneurs have established in this sector and contributed to the advancement of industry in the country. More importantly, it is a stepping stone for entrepreneurs to grow from small to big. It provides implant training to millions of entrepreneurs and motivates them to become innovative entrepreneurs contributing substantially to the national economy. Promotion of small-scale industries for economic development is done in developing countries since 1950s. The special feature of the planning in India is that it does not stop at giving conceptual emphasis to the growth of small-scale industries, but it has in particular drawn up a concrete and constructive planned program to attain the planned objective. The development of small-scale enterprises as the focal point of industrial development is substantial evidence of the awareness of the government to propagate and develop this sector for the ultimate objective of tackling the all-prevailing and ever-growing problem of unemployment. With the growth of civilization and the multiplication of human wants, the occupation associated with manufacturing industries have increased in importance and are very remunerative. Small-scale enterprises play an important role in the Productive activities of developed as well as developing countries.

The meaning of ‘Small’ as designation in the industry differentiates one set of industries from others. Comparatively it is small in operation, employment, products, capital, technology etc. In the case of manufacturing units, small industries are to be
expected to have unique problems compared to other. ‘Smallness that differentiate them from medium and large manufacturing units. At the same time, the small sector has unique advantages. Therefore, small is not only beautiful, but also beneficial, efficient and reliable.11

Definition of Micro, Small and Medium Enterprises in India:

The ‘Micro, small and medium enterprises Development (MSMED) Act 2006’ is the first act for micro small and medium enterprises which, initially provides for the establishment of statutory National Board for micro small and medium enterprises, filling of memoranda, measures for promotion, development and enhancement of competitiveness of micro, small and medium enterprises, credit facilities, procurement preference and provisions related to delayed payments to micro and small enterprises. The medium sector has been defined for the first time in India and micro enterprises have been defined for the first time in this Act.

Under the MSMED Act 2006, the concept of ‘Enterprises’ have been classified broadly into two distinctive categories, namely enterprises engaged in the manufacture/production of goods pertaining to any industry; and enterprises in terms of investment in plant and machinery/ equipment excluding land and building.

Manufacturing Enterprises– The enterprises engaged in the manufacturing or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1957. The manufacturing Enterprises is defined in terms of investment in Plant and Machinery.

Service Enterprises – The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipments. Enterprises engaged in the manufacture or production, processing or preservation of goods are specified as follows:

A Micro Enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh.

A Small Enterprise is an enterprise where investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 Crore.

A Medium Enterprise is an enterprise where investment in plant and machinery is more than Rs. 5 Crore but does not exceed Rs. 10 crore. Enterprises engaged in providing or rendering of services and whose investment in equipment are specified below.
A small enterprise is an enterprise where the investment in equipment is more than Rs. 10 lakh but does not exceed Rs. 2 Crore, and

A Medium enterprise is an enterprise where the investment in equipment is more than 2 Crore but does not exceed Rs. 5 Crore.

The term ‘village industries’ has been redefined in amended KVIC Act, 1956 as any industry located in a rural area which produce any goods or renders any service with or without the use of power and in which the fixed capital investment per head of artisan or worker does not exceed Rs. 1 lakh (One lakh and fifty thousand in case of village industry located in a hilly area) or such other sum as may, be notification in the official Gazette, be specified from time to time by the Central Government.”

1.8 Types of small-scale Enterprises/Entrepreneurs:
Small-scale enterprises can be classified into five main types as follows:

- Manufacturing industries, i.e. industries producing complete articles for direct consumption and also processing industries.
- Feeder industries specializing in certain types of products and services, e.g. casting, electroplating, welding etc.
- Serving industries covering light, repair, shops necessary to maintain mechanical equipment.
- Ancillary to large industries, producing parts and components and rendering services; and Mining or quarrying.

1.9 Concept of Small Entrepreneurs:
The definition of small enterprises varies from one country to another. In most of countries of the world, the criterion for defining a small enterprise is related to the size of employment, for instance, in the US, small-business is one which has employment of less than 500 people. In UK, it is less than 20 skilled workers, in Germany less than 300 workers, in Sweden 50 people and in Italy less than 500 people respectively. In some countries, both employment and investment are taken into account. In Japan, the investment in industrial undertaking should not exceed 100 million employing not more than 300 employees. In South Korea, investment limit is 2 lakh dollars and employment limit being 200 people.

The definition of the small industry is an important aspect of the government policy as it identifies the target groups. The first official criterion for small-scale industry was set up in the second Five year plan when it was in terms of gross
investment in land, building, plant and machinery and the strength of labour force. Subsequently, on the recommendation of the Federation of Association of Small Industries of India (FASII), an apex level organization of the Small-Scale industry, was set up under the aegis of the Ford Foundation team, where in, only the investment in fixed assets in plant and machinery, whether held in ownership terms or by lease or by hire purchase, instead of fixing the limit on overall investment, was considered for granting the status of SSI units. From time to time there have been many changes in the ceiling limit of investment in plant and machinery. In the beginning, for a small-scale industry, the investment level was Rs. 5 Lakh and Employment limit of less than 50 persons when using power and less than 100 persons without using power.

The term ‘Small-Scale industries’ has been defined in three ways. The conventional definition includes cottage and handicraft industries which employ traditional labour-intensive methods to produce traditional products, largely, in village households. They employ none or only a few hired hands. The handloom textile industry is an example though this famous sector has been steadily declining.

**Different segments of SSI’s have been defined as under:**

**Ancillary Industrial undertaking:** An industrial undertaking which is engaged or is proposed to be engaged in the manufacture or production of parts, components, subassemblies, tooling or intermediates, or the rendering of services is termed as ancillary undertaking. The investment in plant and machinery, whether held in ownership terms or on lease or on hire purchase, should not exceed Rs. 30 million.

**Tiny Enterprises:** A unit is treated as tiny enterprise where investment in plant and machinery does not exceed Rs. 25 million, irrespective of the location of the unit.

**Women Entrepreneurs:**

AS SSI unit/industry related service or business enterprise, managed by one or more women entrepreneurs in proprietary concerns, or in which she/they individually or jointly have a share capital of not less than 51 per cent as partners/Shareholders/Directors of private Ltd. Company/Members of co-operative society is treated as women entrepreneurs’ enterprise.

**Small-Scale (Industry related) service and Business Enterprises (SSSBES):** Enterpriser rendering industry related service/business with investment up to Rs. 0.5 million in fixed assets, excluding land and building are called SSSBES.
Export-oriented Units (EOU): A unit with an obligation to export at least 30 percent of its annual production by the third year of commencement of production and having investment ceiling in fixed assets-plant and machinery up to Rs. 30 million is regarded as an EOU.

The definition of SSI is linked to the question of ownership. SSI units cannot be controlled or owned or be a subsidiary of any other industrial undertaking. This implies that in proprietary/ Partners should not exceed the total investment limit fix for an SSI. As regards the formation of an SSIs as a limited company, the equity investment by other companies, the equity investment by other companies in SSIs should not exceed 245 per cent.

The objectives of such classificatory changes are aimed at:

- Facilitating and boosting the growth of SSI in the private sector.
- Promoting SSI’s within the framework of the social and economic policy of the country.
- Encouraging technology modernization among existing units.
- Aiding technically qualified entrepreneurs to set up new units with advanced technology.
- Improving product standards.
- Creating opportunities for in house R & D.
- Providing greater thrust to export.

The operational definition for policy purpose includes all those undertaking having an investment in fixed assets in plant and machinery, whether held on ownership terms or by lease or by hire purchase, not exceeding Rs. 60 lakh. Both ancillary units and tiny units also come under the umbrella of small-scale industries.

A time unit is one whose investment in fixed assets in plant and machinery does not exceed Rs. 5 lakh. An ancillary undertaking is one whose investment in plant and machinery does not exceed Rs. 75 lakh and is engaged in: a) the manufacture of parts, components subassemblies, toolings or intermediate or b) The rendering of service of supplying 1/3rd per cent of their total service or production, as the case may be, to other units for production of other articles. The operational definition is considered relevant for discussion in academic circles as well as policy decisions.

The third definition of small-scale industries related to national income accounting. This includes all manufacturing and processing activities, including maintenance and
repair services, undertaken by both household and non-household small-scale manufacturing units, which are not registered under the factories Act.

Accordingly, a small industry is defined as a unit engaged in manufacturing, servicing, repairing, processing and preservation of goods having investment in plant and machinery, at an original cost not exceeding Rs. 5 Crore. On the other hand, an ancillary undertaking is defined as a unit having investment in fixed assets in plant & machinery not exceeding Rs. 7.5 crore and engaged in the manufacture of parts, components, subassemblies, tooling or intermediates or rendering of service and supplying are proposing to supply or render 50 per cent of their production of other articles, provided that no such undertaking shall be subsidiary of or owned or controlled by any other undertaking.

The Government of India announced a new policy (1991) for small-scale sector, which was recommended by the Abid Hussian Committee regarding enhancement in investment ceiling.

In fact, the restrictions on investment were proving as dismcentive for growing units. The recommendations of the committee may enable to create a better environment for the small-scale sector to face community effectively protecting village artisans from the onslaughts of external competition was one of the important contributing factors to the absence of localization of industry in ancient India.

Evidently, organized industrial activity was observable among the Indian artisans in a few recognizable products in the cities of Banaras, Allahabad, Gaya Puri and Mirzapur which were established on their river basins. This was because the rivers served as a means of transportation facilities. This artisan industries flourished over the period because the Royal Patronage was available to support them. The workshops called ‘Kharkhanas’ came into existence. The craftsmen were brought into an association pronounced as ‘guild system’. Perfection in art, durability beyond doubt and appeal to the eye of the individual were the distinguishing qualities inherent in the Indian craftsmanship brought name and fame to the illustrious India in the past. To quote, Bengal enjoyed world-wide celebrity for Corah, Lucknow for Chintzes, Ahmedabad for dupattas and dhotis, Nagpur for silk-bordered clogs, Kashmir for Shawls, and Banaras for metal wares. Thus, from the time immemorial till the earlier years of the eighteenth century, India enjoyed the prestigious status of the queen of the international trade with the help of its handicrafts.
Some scholars hold the view that manufacturing entrepreneurship in India emerged as the latent and manifest consequence of East India Company’s advent in India. The company injected various changes in the Indian economy through export of raw materials and import of finished goods in India. Particularly, the Parsis established good support with the company and were much influenced by the Company’s commercial operations. The company established its first ship-building industry in Surat where from 1673 onwards the Parsis build vessels for the Company. In 1677 Manjnee Dhanjee won a contract for building the first large gun-powder-mill in Mumbai for the East India belonging to the company established a steel industry in Mumbai in 1852. On the basis these facts, it can be stated that the East India Company made some contribution towards entrepreneurial growth in India.

The actual emergence of manufacturing entrepreneurship can be noticed in the second half of the nineteenth century. In beginning the Parsis were the founder manufacturing entrepreneurs in India.

Ranchodala Chotala, a Nagar Brahmin, was the first Indian to think of setting up the textile manufacturing on the modern factory lines in 1847, but failed. In his second attempt, he succeeded in setting up a textile mill in 1861 at Ahmedabad (Spodek 1965:483). But before this, the first cotton textile manufacturing unit was already set up by a Parsi, Cowasjee Nanabhoy Davar in Mumbai in 1854 followed by Nawrosjee Wadia, who opened his textile mill in Mumbai in 1880. The credit for the expansion of textile industries upto 1915, 43 per cent (41) were set up by Parsis, 24 per cent (23) by Hindus, 10 per cent (10) by Muslims and 23 per cent (22) by British citizens. (Spodek 1965:253). Later, the Parsis invaded other fields, mainly iron and steel industry. Also Jamshedjee Tata was the first Parsi entrepreneur who established the first steel industry in Jamshedpur in 1911.

The ‘Swadeshi’ campaign, i.e. emphasis on indigenous goods, provided, indeed a proper seedbed for inculcating and developing nationalism in the country. It was the influence of Swadeshi, that Jamshedjee Tata even named his first mill ‘Swadeshi Mill’. The spirit of indigenousness strengthened its roots so much in the country that the challenges with confidence and avail of new opportunities coming in their way.
1.10 Small and Medium Enterprises (SMES) in other countries –

In India, the concept of small-scale, ancillary and tiny industry which are related to the historical value of the investment in plant and machinery. In other countries, SMES are defined on the basis of both quantitative and qualitative elements, such as, the number of workers employed and /or annual turnover or the level of fixed investment. However, employment is an omnipresent criterion for determining the size of the unit in these countries.

Definition of SMES in Asia and other countries.

Table 1.1

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Country</th>
<th>Type of Industry</th>
<th>Official Definition</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Asia China</td>
<td>SME</td>
<td>&lt;100 Employees; investment ceiling 30 million Yuan (US $ &amp; Million)</td>
<td>Employment and investment Yuan (US $ &amp; Million)</td>
</tr>
<tr>
<td>2</td>
<td>Indonesia</td>
<td>SME</td>
<td>&lt;100 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>Manufacturing</td>
<td>&lt;300 Employees or asset capitalization</td>
<td>Employment and assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wholesale Trade</td>
<td>&lt;100 Million Yen</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retail Trade</td>
<td>&lt;50 Employees or capital asset &lt; 30 Million Yen</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Service</td>
<td>&lt;50 Employees or asset capital &lt; 10 Million Yen</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Korea</td>
<td>Manufacturing</td>
<td>&lt;300 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td>5</td>
<td>Services</td>
<td>&lt;20 Employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Singapore</td>
<td>Manufacturing</td>
<td>&lt;S $ 12 Million fixed assets</td>
<td>Fixed assets</td>
</tr>
<tr>
<td>7</td>
<td>Services</td>
<td>&lt;100 Employees</td>
<td></td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td>Hong Kong</td>
<td>SME</td>
<td>Manufacturing</td>
<td>Employment</td>
</tr>
<tr>
<td>No.</td>
<td>Region</td>
<td>Sector</td>
<td>Employment Criteria</td>
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</tr>
<tr>
<td>-----</td>
<td>-------------------</td>
<td>-------------------------</td>
<td>----------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Australia</td>
<td>Manufacturing</td>
<td>Small enterprises with &lt;100 employees</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Services</td>
<td>Medium enterprise with &lt;20 employees</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Other North America USA</td>
<td>Very small enterprises, &lt;20 employees</td>
<td>Employment</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Small enterprises</td>
<td>20-99 employees</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td>100-499 employees</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Canada</td>
<td>Medium enterprise</td>
<td>Independent firms having &lt;200 employees</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Latin America</td>
<td>Manufacturing</td>
<td>&lt;15 employees and gross income 1 sales &lt; US $ 1,75,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mexico</td>
<td></td>
<td>Employment &amp; gross income/sales</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Europe Belgium</td>
<td>SME</td>
<td>Annual 50 employees, annual turnover (VAT Excluded) ECU4.2 million, Balance sheet total of EW 2.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Country</td>
<td>Industry/Classification</td>
<td>Employmentbrigade</td>
<td>Employment</td>
</tr>
<tr>
<td>---</td>
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<td>----------------------------------</td>
<td>--------------------</td>
<td>------------</td>
</tr>
<tr>
<td>16</td>
<td>Denmark</td>
<td>Manufacturing</td>
<td>&lt;500 employees, production units with more than 5 employees</td>
<td>Employment</td>
</tr>
<tr>
<td>17</td>
<td>France</td>
<td>SME</td>
<td>10-499 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td>18</td>
<td>Germany</td>
<td>SME</td>
<td>&lt;500 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td>19</td>
<td>Greece</td>
<td>Small Enterprises</td>
<td>&lt;50 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medium Enterprises</td>
<td>10-100 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td>20</td>
<td>Ireland</td>
<td>SME</td>
<td>&lt;500 employees</td>
<td>Employment</td>
</tr>
<tr>
<td>21</td>
<td>Italy</td>
<td>Small Enterprises</td>
<td>&lt;200 employees</td>
<td>Employment</td>
</tr>
<tr>
<td>22</td>
<td>Netherlands</td>
<td>Small Enterprises</td>
<td>&lt;10 employees</td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medium Enterprises</td>
<td>&lt;10-100 employees</td>
<td>Employment</td>
</tr>
<tr>
<td>23</td>
<td>Spain</td>
<td>Small Enterprises</td>
<td>&lt;200 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medium Enterprises</td>
<td>&lt;500 Employees</td>
<td>Employment</td>
</tr>
<tr>
<td>24</td>
<td>Sweden</td>
<td>SME</td>
<td>Autonomous firms with &lt;200 employees</td>
<td>Employment</td>
</tr>
<tr>
<td>25</td>
<td>United Kingdom</td>
<td>SME</td>
<td>No fixed definition</td>
<td>Employment</td>
</tr>
</tbody>
</table>

Sources:
2. Globalization and small and medium Enterprises (SMEs) Vol.1 synthesis Report OECD.
3. Industry Division, Government of Hong-Kong, special Administrative Region.

The definition of small and medium enterprise varies from country to country:

The EU’s definition of SME is based on the number of people employed in the enterprise. A micro enterprise has a headcount of less than 10, and a turnover or balance sheet total of not more than 2 million Euros. A small enterprise has a headcount less than 50 and a turnover of balance sheet total of not more than 10 million euros or a balance sheet total of not more than 43 million Euros.

In UK, section 247 and 249 of the companies Act 1985, define an SME as a small company that has a turnover of not more than $5.6 million, a balance sheet total of not more than $ 2.8 not more than 50 employees. A medium size company has a turnover of not more than $ 22.8 million, a balance sheet total of not more than $ 11.4 million and not more than 250 employees.

In the US, a government department called the Small Business Administration (SBA) sets the definition of small business. The SBA sets the definition of small business. The SBA uses the term ‘Size standards to indicate the largest a concern can be in order to still be considered a small business, and therefore able to benefit from small business targeted funding. The concern cannot be dominant in its field, on a national basis. It must also be independently owned and operated. The most common size standards are 500 employees for wholesale trade industries. $ 6 million of annual receipts for most retail and service industries or $ 28.5 million of annual receipts for most general and heavy construction industries or $ 12 million of receipts for all special trade contractors or $ 0.75 million for most agricultural industries.

In Australia, micro enterprises is that which employs less than five employees and those employing between 5-19 personnel are small and the medium enterprises are those that employ 20-200 employees.

In China for defining an SME, the categorization is sector-specific and is divided between small and medium segments. In the industrial sector, those employing between 200-200 people and having sales between 30-300 million Yuan or assets in the range of 40-400 million Yuan are considered small and those above this are medium level enterprises. Similarly, for construction industry, one of their huge employers, the employee strength between 600-3000 and sales and assets level of 30-
300 million Yuan and 40-400 million Yuan respectively are considered small and those having more than this are considered medium.

1.11 ADVANTAGES OF SMALL-SCALE ENTERPRENEURS:

Small entrepreneurs have distinct advantages both economic and social, some of these are:

Some small-scale business/industries do not require a high level of technology.

They are generally labour-intensive and do not require a huge capital. The energy of unemployed or underemployed people may be used for productive purposes in an economy in which capital is scarce.

Projects related to these industries can be undertaken in a short period and hence can increased production both in the short and the long run.

Most developing countries are rich in certain agricultural, forest and mineral resources; and small-scale enterprises can be based on the processing of locally produced raw material.

It is possible both to save and to earn foreign exchange by producing and exporting goods from local resources.

Small-scale enterprises are the training ground for local entrepreneurs on decision-making. From small-scale entrepreneurs, knowledge and skills can be transferred to other enterprises which can grow into medium enterprises.

By creating opportunities for the small entrepreneurs, it is possible to bring about a more equitable distribution of income which is socially necessary and desirable.

These entrepreneurs in developing countries help to create economic stability in society by diffusing or spreading prosperity and by checking the expansions of monopolies.

The development of small-scale entrepreneurs will create jobs in the rural areas of the developing countries where unemployment and underemployment are high. This will help in reducing the exodus migration of workers from the rural to the urban areas in search of jobs.

Small-scale entrepreneurs will make possible a transfer of manufacturing activity from urban to rural areas. This will help in bringing about a geographical diffusion of skill and technology in a country.
Small-scale entrepreneurs create immediate and permanent employment at a relatively small capital cost. They meet a substantial part of increased demand for consumer good including mass consumption goods. They facilitate mobilization of resources of capital and skills which often would remain inadequately utilized. They bring integration with rural economy on the one hand and large-scale enterprise on the other. They involve a short gestation period. They do not require as heavy and costly infrastructure as large enterprises. They have a favorable capital output ration.

Due to all these advantages, the development of small entrepreneurs has been assigned a crucial role in India’s five years plans. To profit, support and promote small entrepreneurs to become self-supporting and to facilitate balance growth, a number of policies and promotional measures have been taken by the government. These measures include reservation of certain items for exclusive production in the small-scale sector, and exclusive purchase under the stores purchase policy and differential excise duty. Promotional measures have included development of entrepreneurship backed by package of consultancy, services improvement in techniques, institutional support in respect of supply of credit and raw materials, factory accommodation in industrial estates, capital subsidy and rebates on sales of certain products.

1.12 State-wise distribution of SSI Units in India:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the State/Union Territory</th>
<th>No. of SSI Units</th>
<th>% to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Uttar Pradesh</td>
<td>1707977</td>
<td>16.23</td>
</tr>
<tr>
<td>2</td>
<td>Andhra Pradesh</td>
<td>875430</td>
<td>8.32</td>
</tr>
<tr>
<td>3</td>
<td>Maharashtra</td>
<td>803568</td>
<td>7.64</td>
</tr>
<tr>
<td>4</td>
<td>Madhya Pradesh</td>
<td>793552</td>
<td>7.54</td>
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<tr>
<td>5</td>
<td>Tamil Nadu</td>
<td>787965</td>
<td>7.49</td>
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<tr>
<td>6</td>
<td>West Bengal</td>
<td>771388</td>
<td>7.33</td>
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<tr>
<td>7</td>
<td>Karnataka</td>
<td>658821</td>
<td>6.26</td>
</tr>
<tr>
<td>8</td>
<td>Gujarat</td>
<td>530314</td>
<td>5.04</td>
</tr>
<tr>
<td>9</td>
<td>Bihar</td>
<td>519351</td>
<td>4.94</td>
</tr>
<tr>
<td>State</td>
<td>Unit / Total</td>
<td>Per Capita</td>
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</tr>
<tr>
<td>---------------------------------</td>
<td>--------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Kerala</td>
<td>452826</td>
<td>4.30</td>
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<tr>
<td>Rajasthan</td>
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<td>Orissa</td>
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<td>Punjab</td>
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<td>Chhattisgarh</td>
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<td>Rajasthan</td>
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<td>Delhi</td>
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<td>Jharkhand</td>
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<td>Uttarakhand</td>
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<td>Himachal Pradesh</td>
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<td>Jammu and Kashmir</td>
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<td>Pondicherry</td>
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<td>Goa</td>
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<td>Andaman and Nikobar</td>
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<td>Daman, Dadra, &amp; Nagarhaveli</td>
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<td>Sikkim</td>
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<td><strong>All India</strong></td>
<td><strong>10521190</strong></td>
<td><strong>100.00</strong></td>
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</table>

Source: [http://www.smallinduustryindia.com/ssiindia/census/chll.htm](http://www.smallinduustryindia.com/ssiindia/census/chll.htm)
Classification of SSI units in India on the basis of Registration

Table – 1.3

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Characteristic</th>
<th>Registered Units (In lakhs)</th>
<th>Unregistered Units (In lakhs)</th>
<th>Total</th>
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<tbody>
<tr>
<td>1</td>
<td>Men</td>
<td>12.37 (13.08)</td>
<td>82.20 (86.92)</td>
<td>94.57</td>
</tr>
<tr>
<td>2</td>
<td>Women</td>
<td>1.38 (12.93)</td>
<td>9.26 (87.07)</td>
<td>10.64</td>
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<tr>
<td>Total</td>
<td></td>
<td>13.75 (13.07)</td>
<td>173.99 (86.93)</td>
<td>105.21</td>
</tr>
</tbody>
</table>


In the table 1.2 we find that these is many SSI units in Uttar Pradesh i.e. 1707977 and very few in Sikkim i.e. 368 only. Maharashtra ranks Third in India for highest no. of SSI units i.e. 803568. Therefore Maharashtra is developed state in India.  

From table 1.3 we can say that a multipronged approach is to be adopted to motivate the women to pursue entrepreneurial activities. Commitment and wholehearted support are crucial for any initiative intended to emancipate Indian women. Concerted effort must be put in to raise the level of women entrepreneurship in SSI. Social activists NGOs’ Government agencies and corporate sector should play an active role in the transformation of women and in driving the women to explore entrepreneurial opportunities in Small-scale enterprises.

1.13 CHALLENGES AND OPPORTUNITIES

‘A small entrepreneur is the chief executive of his unit, its floor supervisor, accounts clerk, purchase manager, salesmen, legal and economic adviser, planner and visionary – all in one.' In the emerging scenario, due to liberalized regime, unrestricted competition from multinationals entering the consumers durables and non-durables market segments with their internationally known brand names, technological superiority and intensive marketing efforts would offer formidable challenge to the small-scale sector. Besides, liberalization imports of capital goods and related components, it is feared, would exert pressures on the existing markets of ancillaries and SSI units.

Yet, the winds of change have also opened up new vistas for the larger and progressive small-scale units. They have the flexibility and adaptability to switch over
to low-volume specialized markets and diversify into differentiated products with appropriate manufacturing processes. The other small-scale and tiny units operating in the decentralized sector could gain through linkages with large enterprises or export houses. Foreign Direct Investment (FDI) will have the spin-off effects of linkages with small-scale units which can provide the supply base to large undertakings. These units as suppliers to duty-free license holders could avail of the benefits of deemed exports under the new EXIM policy. Having attained superior quality standards, some of the more enterprising small-scale firms could even upgrade themselves as suppliers of components and finished products of Multinational Corporation (MNC) affiliates in the newly industrialized Asian countries. Prompted by the inherited advantages of advanced technologies through the MNC, the more dynamic ones could move over onto developing new technologies and processes which could even be exported to other developing countries and become active global players by entering into joint ventures with small and medium enterprises in these countries.

Indian industry is at crossroads where on the one hand, it has to integrate itself with the global markets, while on the other, it has to face competition in the domestic market from international suppliers. Technology, product quality, factor productivity and competitive marketing techniques and management practices alone seem to hold the key for the future of the Indian small-scale industry. On moving from a protected economy to a market oriented economy, some amount of transitional problems seem unavoidable. But given the intrinsic strength of the sector and several support services available to it, the sector can look forward to a level of sustained development in the coming year.

Small is Beautiful because of its appropriate scale and efficiency. Small-scale entrepreneurs is the believe of entrepreneurship, innovation, growth and development. Most of the Asian countries have adopted deliberate policy of promoting and encouraging small entrepreneurs as a strategy for the accelerated industrialization. India too has also given highest priority for fostering the development of the small-scale sector.

Small-scale enterprises/entrepreneurs is no longer fighting a local battle, but a global war. In such a global competitive scenario, small entrepreneurs may emerge victories by changing the tactics of warfare. First, by getting a clear vision of the future, mission of intent, purpose of the enterprise, values that guide goal to reach and
the strategy, to achieve the goal that its vision provides. Second, being armed with robust process. Third, ensuring a strategic infrastructure. Fourth, ensuring timely implementation and fifth, with people focused on total customer satisfaction.

1.14 Changing Scenario of Small Enterprises in India:

The business of small enterprises has been changing drastically in recent times. The economic reforms of the 1990’s that have aimed at liberalization of domestic economic transactions and opening up of economy, are slowly taking away the policy protection for the Small-scale units. The growth of the small enterprises in the overall industrial sector in the past eight years on an average is 8.9 per cent while in the industrial sector it is 6.8 per cent. It has been estimated that a lakh rupee of investment in fixed assets produces Rs. 4.62 lakh worth of goods and services and also generated employment of four persons and the employment was also estimated at 6.3 persons per unit.

The number of SSI units are increasing year by year. It means that more numbers of new entrepreneurs enter into the industrial market particularly in the field of MSME. During 2000-01 the number of units established was 109 lakh and increased to 132 lakh in 2007-08. The annual increase amounts to four to five lakh newly established enterprises. The annual production was just 2.62 lakh crore during 2000-01 which was increased to 6.25 lakh crore. There was tremendous increase in the percentage changes in annual production.

The number of small enterprises grew at the rate of 8.35 per cent per annum during the pre-reforms period i.e. 1980-1981 to 1990-1991 which is higher than the post reforms period i.e. 1991-1992 to 1998-1999 at 5.86 per cent. Employment in these industries grew at a higher rate 6.16 per cent during the pre-reforms period compared to the post reforms period which was 4.23 per cent. The output in small enterprises registered a higher growth to the extent of 14 per cent per annum during the first sub period compared to the second sub-period. Exports also showed a higher rate of growth 12.98 per cent during the pre-reform period than that of the post-reform period. Although the small industries growth was not impressive during the post-reform period, it is much better than the industrial growth of 5.86 per cent per annum during the period 1990-1999.
Moreover, the labour input has been efficiently utilized in these industries particularly during the post-reform period since its contribution to the growth of output has increased. But these industries have shown a sharp decline in employment. It may be due to the fact that the small enterprises became capital intensive particularly during the post-reform period. Further, it is true, if the growth of capital is associated with technological advancement, it would reduce labour Employment. This could be one of the reasons for the poor performance of the small industry as far as employment generation is concerned.

To enable small-scale entrepreneurs to succeed, and excel, it is necessary to provide them with the basic tools and techniques of modern management. Efficiency proceeds professionalization, technological reorientation, adequate training and adequate timely credit and other financial services.

1.15 SMALL-SCALE ENTERPRENEURS IN MAHARASHTRA:

There are plenty of small-scale entrepreneurs in Maharashtra. This state ranks third in India for number of SSI units i.e. 803568. Over the last few decades, small entrepreneurs have emerged as leaders in Industrial sector. The pattern and features of entrepreneurship of Maharashtra have lesson for the development of other regions. There are many factor, which generally affect the growth and functioning of entrepreneurship. These may include previous occupation, family, background, education, caste, technical know-how, financial position government assistance etc. these factors affect the process of production and industrial development.

The annual survey of Industries 2000-2001, revealed that Maharashtra continued in maintain its leading position in the country with its contribution of 21.5 per cent in the net value added in the organized industrial sector. It has observed that the Industry groups chemicals and chemical products, refined petroleum products, machinery and equipments, transport equipments contribute together was more than 80 sector in the state and at All India level it was 68 per cent in the year 2000-2001.
Total No. of permanent Registered SSI in Maharashtra up to 30-09-2006.

Table No. 1.4

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Region</th>
<th>No. of SSI Unit</th>
<th>Investment</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mumbai</td>
<td>12962</td>
<td>710682</td>
<td>140103</td>
</tr>
<tr>
<td>2</td>
<td>Konkan</td>
<td>13016</td>
<td>271012</td>
<td>144336</td>
</tr>
<tr>
<td>3</td>
<td>Nashik</td>
<td>18533</td>
<td>280843</td>
<td>114897</td>
</tr>
<tr>
<td>4</td>
<td>Pune</td>
<td>67557</td>
<td>176734</td>
<td>345534</td>
</tr>
<tr>
<td>5</td>
<td>Aurangabad</td>
<td>9219</td>
<td>90855</td>
<td>74643</td>
</tr>
<tr>
<td>6</td>
<td>Amravati</td>
<td>5978</td>
<td>48498</td>
<td>37015</td>
</tr>
<tr>
<td>7</td>
<td>Nagpur</td>
<td>12840</td>
<td>77973</td>
<td>88628</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>140105</strong></td>
<td><strong>165697</strong></td>
<td><strong>945156</strong></td>
</tr>
</tbody>
</table>

(Source: Maharashtra at a glance, Directorate of Industries)

Among all the regions in Maharashtra, Pune region has highest SSI units i.e. 67557 and providing maximum employment to the people in Maharashtra i.e. 345534.

The Maharashtra small-scale Industries Development Corporation Ltd., popularly known as MSSIDC, was established on October 19, 1962 with a view to giving a new orientation and strength to the development of Small-scale Industries in the state of Maharashtra. The main objective of MSSIDC is to aid, counsel, assist, finance, protect and promote the interest of small industries. The corporation renders assistance to approximately 30000 SSI units in the state.

MSSIDC play a vital role in revival, development and growth of traditional handicrafts of Maharashtra by responding to the diversified needs of rural artisans and marketing their products in India as well as abroad. Even MSSIDC is providing support services like Training and Entrepreneurship Development Programme.

The State Government constituted the Udyog Mitra Committee in March, 1984 under the Chairmanship of Development Commissioner (Industries) with Chief Executives of the industrial development organizations as its members. Taking into consideration the ever widening role of Udyog Mitra and increased complexity of tasks it has to undertake. This committee once in a two months examines the problems of individual unit and also general issues relating to industries and tries to find out solutions for them.
The committee also visits to the divisional district headquarters and enters into a dialogue with the local industries Associations. Individual entrepreneurs are also invited to present their problems to the Committee and as far as possible solution are provided on the spot. The results of such close interaction have been found rewarding and fruitful for providing vial policy inputs to the Government and for overall industrial growth in Maharashtra.

Maharashtra is the most industrialized state in India. But the development that has been achieved by the state has been localized in 2/3 pockets, namely Bombay, Pune and Thane. Lack of spatial distribution of industries caused the serious regional imbalances in the development. Therefore the industrial policy of Maharashtra based on two important objects viz,

Reduce concentration of industries through dispersal and b) To promote industries in relatively less developed regions.

In order to achieve the above objectives, Maharashtra has commissioned many state level institutions and introduced state level subsidies for the entrepreneurs particularly for first-generation entrepreneurs especially in backward regions. The important agencies are:

- Maharashtra Industrial Development Corporation (MIDC)
- Maharashtra State Finance Corporation (MSFC)
- The State Industrial and Investment Corporation of Maharashtra (SICOM).
- Maharashtra Small Scale Industries Development Corporation (MSSIDC)
- Maharashtra Agro Industries Development Corporation.

In addition to the above there are four regional development corporations for four regions namely Vidharbha, Marathwada, Western Maharashtra and Konkan. While the first five corporations are state level corporations the last four attend the specific regional problems.

1.16 Scope for Entrepreneurship in Solapur District:

Industrialization is the key role to the fast social-economic development in a region. The modern industrialization takes place in the large urban centers. Consequently, better employement opportunities have been shrinking very fast in rural areas of Maharashtra. There is an acute need of dispersal of industries as a means of
to attain balanced development of the economy. The industrial development in Solapur district is relatively better than many other parts of Maharashtra. It has been estimated that there are 110 large and medium scale industries in Solapur district. Unfortunately, out of the total industries 20% are sick due to the adverse effect of the shortage of raw material, capital, skilled labour & mismanagement. Due to the lack of resources, industries do not flourish in Solapur. In the assessment of disparities in the levels of economic development in a particular region, the agricultural development, the industrial development and various amenities and infrastructural facilities play a vital role. Industries are the key force to fast economic development in a region.

Solapur district is periodically agricultural region, hence the raw material is sufficiently available. Among the agro based industries, Sugar industries, Textile industries and spinning mills are quite important. The Solapur being draught prone area, textile became the main traditional business of the people. The textile business is predominantly carried out by Padmashali community which has inherited the traditional weaving skills. The beginning of power looms was with the establishment of Solapur Spinning and Weaving Mills in 1847. The first organized industry started in the district was Cotton Textile Mill established in 1877. The traditional product Jacquard Chaddar and Towel has brought its national and international fame. The establishment of large number of cotton textile mills in Solapur and Barshi are the most important textile centers even today. Along with this there are many other industries such as oil mills, engineering works, leather works, paper mill, leather work, utensils manufacturing, polymer industries, plastic industries, interior furniture’s, milk and milk products, cement products, food and beverages, etc. all these industries are established in Solapur District i.e. 11 talukas which are as mentioned above. But North Solapur and Mohol taluka has maximum industries because these talukas has M.I.D.C. which is well developed whereas other talukas has co-operative industrial estate. So the development in other talukas are comparatively less. Even Barshi taluka has more industries which ranks 3rd in Solapur district. Therefore the total development process i.e. employment, service sector, standard of living is increasing day-by-day.
Background of District Industrial Centre (DIC), Solapur

District Industrial Centre of Solapur district was established in 1979, to encourage small scale industries and to help and finance industrial development in the district under one roof. As well as to safeguard educated unemployed in securing wages through self employment schemes and enhancing growth in business. Government of India introduced Micro, Small and Medium Enterprises Development Act in 2006. This act came into existence on 16th June, 2006 but was implemented from 2nd October, 2006. As per this act, industries have been divided into three sectors. a) Micro Enterprise b) Small Enterprise and c) Medium Enterprise. The total registered units from the beginning of DIC up to November, 2014 is given as follow:

**Registered Units from 1979 to November 2014**

**Table No. 1.5**

<table>
<thead>
<tr>
<th>No.</th>
<th>Particulars</th>
<th>No. of manufacturing units</th>
<th>Employment generated</th>
<th>Investment (in lac Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Micro</td>
<td>8317</td>
<td>68351</td>
<td>41816</td>
</tr>
<tr>
<td>2</td>
<td>Small</td>
<td>558</td>
<td>7758</td>
<td>21207</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td>4</td>
<td>518</td>
<td>2650</td>
</tr>
<tr>
<td>4</td>
<td>Large</td>
<td>76</td>
<td>22927</td>
<td>19080</td>
</tr>
<tr>
<td>5</td>
<td>Mega</td>
<td>3</td>
<td>1618</td>
<td>49500</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>8958</strong></td>
<td><strong>101180</strong></td>
<td><strong>134253</strong></td>
</tr>
</tbody>
</table>

Source: District Industrial Centre Reports (2014), Solapur.

As per the table above upto November, 2014 total 8958 manufacturing units were registered and 101180 employment was generated with investment of Rs.134253 lakhs. Small Scale Industries mainly includes Jacquard Chaddars, Turkish Towels, Ready Garments, Tentils (dal), Oil Extraction, Chemical, Electrical, Electronic and Agro Based Industries. There are 6900 units of manufacturing Jacquard Chaddars and Turkish Towels with an investment of Rs. 1825 crores with 106087 employment is generated. Still there are 2822 Small Scale Industries on waiting list with the expected investment about Rs. 296043 lakh with 92131 employment generation. It means still there is lots of scope for the development of Small Scale Entrepreneurs 16.
Mega Projects

There are total 07 Mega Project in the district. They are Ultra tech Cement Ltd, Zuari Cement Pvt.Ltd, Shivprabha sugar Ltd, Lokmangal Agro industries Ltd, Vasavdatta Cement Ltd, Precision Camshaft Ltd, Kothari Agrotech Pvt. Ltd.

1.17 Summing Up:

In India MSME’s has achieved steady growth over the last couple of years. The role of MSME’s in the industrial sector is growing rapidly and they have become a thrust area of future growth. MSME sector contribute to increase the industrial productivity, rise of exports, generate more employment opportunity and also increases the GDP, state and Central Government should facilitate the growth of MSME industry mainly through financial support, by creating environment for producing and marketing of products and services. Entrepreneurship perceives opportunities inherent in change, creates a desire for pursing them and creates an environment in which success is possible. They not only bring changes in the economy but also in social development. Today, there is a greater awakening among women to enter in this sector.
REFERENCES

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3) ibid (2005) p.4
4) ibid (2005) p.6
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8) ibid (2011) p-18
13) http://www.smallindustryindia.com
15) Maharashtra at a Glance.
16) District Industrial Centre Reports (2014), Solapur.
CHAPTER-II
REVIEW OF LITERATURE AND RESEARCH
METHODODOLOGY

2.1 INTRODUCTION

The literature is a collective body of work done by earlier scientists technically, any scientific investigation starts with a review of literature.

When the researcher makes a careful review of the literature he becomes aware of the important and unimportant aspects in the concerned area of research. A review of literature helps the researcher in avoiding any duplication of work done earlier.

The purpose of this chapter is to review the literature on small scale entrepreneurs which will provide a theoretical background of relevant study. Subsequently, it also illustrates the development and research done in the Global scenario as well as Indian scenario too. The reviews were grouped in three parts i.e. Ph.D. Thesis, Articles from Journals and Government Publications.

2.2 GLOBAL SCENARIO

2.2.1 ENTREPRENEURSHIP AND BUSINESS INNOVATION

This is Ph.D. thesis entitled” Entrepreneurship and Business Innovation (E & BI)” submitted by Alan Thompson to Murdoch Business School, Murdoch University in the year November 2006. Entrepreneurship and Business Innovation (E & BI) education from a small to medium enterprise (SME) perspective, has gained prominence in Australia\(^1\). The emergence of E & BI as an important discipline of academic learning reflects the broader economic recognition of E & BI toward employment and wealth creation. This has further resulted in an increased demand for relevant E & BI education. Even the focus of this demand is toward a greater balance between purposeful theory and actual operational entrepreneurial practices. To improve the success of entrepreneurs, E & BI education plays a key role in vocational, secondary and tertiary curricula. The idea for an entrepreneurial business is not always necessarily associated with an opportunity, but is often aligned with innovative business practices.
Other factors must exist to support the new product idea for it to become an opportunity, as potential customers must want the product. Enterprise education focuses on teaching students from the perspective of as small and medium enterprise (SME) about entrepreneurial and innovative business practices.

The main objectives of the study are: Representative of international E & BI good practice, Suitable for use by secondary, community and adult education institutions within Australia, and Designed for delivery to both a digital and print audience. The methodology of the study are used by the research approach based on a constructivist/interpretive/ qualitative theory approach, Applying original observations by the researcher as o the academic environment associated with the scholarly delivery of E & BI education at Murdoch and University and the broader community, Through utilizing the research experience to develop a publishable text, which is useful from an academic.

The main Findings are: The analysis of data was based on conceptual framework, who was defined within the research paradigm, in that their existed an increased demand for E & BI knowledge with great balance between purposeful theory and actual operational entrepreneurial practices, The conceptual model was designed to facilitate a critical interpretive analysis of the data discover international E & BI good practice, The study have arisen from an analysis of international good practice in E & BI, it has also, based on subjective interpretation arising from researchers academic experience in the field.

2.2.2 ENTREPRENEURSHIP IN RUSSIA: PATTERNS AND PROBLEMS OF ITS DEVELOPMENT IN THE POST-SOVIET PERIOD

This is Ph.D. thesis entitled “Entrepreneurship In Russia: Patterns And Problems Of Its Development In The Post-Soviet Period” submitted by Bain to Courtney University of Glasgow in the year 2007. The development of a robust small and medium sized enterprise (SME) sector has been widely seen an important to Russia’s socio-economic transformation. This has been clear from state policies and rhetoric that claim to support the development of entrepreneurship and publicly advocate its
importance. This official support for the SME sector has been out of line with the patterns of entrepreneurial development on the ground. Entrepreneurs continue to face obstacles in sphere of legislation, tax, accessing credit, administrative barriers, all these have complicated the development of small and medium sized business. Given the direct role that individual entrepreneurs play in shaping the SME sectors, an understanding of entrepreneurs themselves-their experiences, attitudes, values and beliefs is required to understand the patterns and problems of entrepreneurial development.

The main objectives of the study are: The patterns and problems of entrepreneurial development from the perspective of entrepreneurs themselves, To study the behavior, attitudes, values and socio-cultural impacts on the development of entrepreneurship. The methodology of the study is qualitative ethnographic research methods were used to explore the experience of entrepreneurs. Four regions of Russian business environment were selected. Semi-structured interviews were conducted with entrepreneur as well as state officials and leaders of business associations.

The main findings of the study are: The relationship that entrepreneurs form with other entrepreneurs, as well as with state officials and leaders of business associations are instrumental to understand the patterns of behavior of entrepreneurs, The informal practices are integral strategies used by entrepreneurs to negative the challenges of doing business in Russia, The entrepreneurial process in Russia has been a complex mixture of success and frustrations and experience entrepreneurs are key to understand this process.

2.2.3 ACADEMIC ENTREPRENEURSHIP IN A RESOURCE CONSTRAINED ENVIRONMENT

This is Ph.D. thesis entitled “Academic Entrepreneurship in a Resource Constrained Environment” by Lasandanasi Ranmathumalie De Silva to Manchester Business School, University of Manchester in the year 2012. Research on academic entrepreneurship has been carried out mainly in developed nation with special emphasis on the UK and US³. There has been little discussion about academic entrepreneurship
in developing countries, particularly low income ones. When developing countries are compared with developed nations, they have to face high levels of resource scarcity that involves shortage of skills, finance, physical infrastructure, technology and institutions needed for innovation and entrepreneurship. The literature has identified the environment of entrepreneurs as a major factor influencing their entrepreneurial behavior. Hence, it is possible that academic entrepreneurship in a resource constrained country might be different from that in resource-rich nation. In recent years, developing nations have been investing increasingly in higher education.

The main objectives of the study are: Investigating the ‘Plural activities’ of Academic Entrepreneurship in a Resource Constrained Environment, Studying the motivation Academic Entrepreneurs in a Resource Constrained Environment, Examining the Influence of Multilevel factors on ‘Plural Activities’, The impact of Academic Entrepreneurial Engagement in a Resource constrained Environment. Sample Design And Methodology are: The main purpose of the initial data gathering stage was to collect general information about the entrepreneurial engagements of academic in Sri Lanka. The data was collected from the Registrars of Universities. In depth telephone interviews were conducted with the registrars of 8 out of 15 universities in Sri Lanka. The researcher has used mixed method i.e. qualitative and quantitative data to achieve the research objective. Sequential and parallel, data collection are two different mixed method designs described in the literature. The main purpose of quantitative data was to obtain a broad understanding of entrepreneurial engagements by academics; qualitative data was needed to investigate their engagements in detail.

The conclusions are: The thesis has demonstrated that there has been little discussion of academic entrepreneurship in low income developing countries, despite their increasing investment in higher education in recent year. If developing countries need to derive valuable outcomes from higher education investments, they should adopt context specific strategies, rather than imitating developed nation, A specific understanding of academic entrepreneurship is believed to be needed to develop domestic capacities and to carry out applied research, that would achieve the economic growth.
2.2.4 THE BATTLE OF ENTREPRENEURIAL ORIENTATION BETWEEN INDEPENDENT ENTREPRENEURS AND INTRREPRENEURS

This is Ph. D. thesis entitled “The Battle of Entrepreneurial Orientation between Independent Entrepreneurs and Internrepreneurs” by Ahmed Bulut to Vrije University, Amsterdam in the year August 2008. In the global economy, organizations in the profit sector provide solutions to supply and demand of goods and services. It is the entrepreneur who decides to pioneer, in order to market needs. The factors that enhance entrepreneurial behavior of entrepreneurs has many benefits. If we know what cognitive biases affect entrepreneurial behavior, than an entrepreneur can estimate the level of entrepreneurial orientation. Similarly, large organizations can screen potential intrepreneurs on the cognitive biases, to estimate entrepreneurial behavior within the company.

Central concepts are: Entrepreneurial behavior, Cognitive biases-(i) Over confidence, (ii) Illusion of control, (iii) Representativeness, (iv) Status quo bias, Risk perception. The research methodology of this study is Research method will be used in order to test six derived hypothesis. Because to test them among real life independent entrepreneurs and intrepreneurs. A cross sectional study is most suitable to test the six hypothesis. Cross sectional studies are relatively easy to perform. Data is collected from several organizations. All of the involved organizations have a minimum employee base of 50. The sampling technique used to collect data is non probability sampling, specifically clustering. The data is collected through online survey tool, no proper questionnaires were used.

The main findings of the study are: This master thesis looks at cognitive biases of entrepreneurs, The more overconfident an entreprenouiring individual is, the less risk associated with a business opportunity the person perceives, Independent entrepreneurs are more prone to risk than intrapreneurs. Entrepreneurs who fall in the fallacy of representativeness are blind to risks linked with an entreprenouiring opportunity.

2.2.5 ENTREPRENEURSHIP ACTIVITIES IN RURAL TANZANIA: UNDERSTANDING WOMEN’S MICRO BUSINESS

This is Ph. D. Thesis entitle “Entrepreneurship Activities In Rural Tanzania: Understanding Women’s Micro Business” by Ssendi Lucy Boniface submitted to Robert Gordon University in the year February 2013. In rural Tanzania women play a
crucially important role in social and economic production. The constraints of poverty, combined with poor infrastructure and minimal resources, limit entrepreneurial possibilities. Poor rural female entrepreneurs use enterprise to improve their lives⁵. But this ‘survivalist’ entrepreneurship appears radically different from western models of enterprise. There is substantial gap of knowledge in terms of how much poor rural female entrepreneurs used entrepreneurship activities to cope in their livelihood, and this issue is focus in this study.

Objective of The Study are: To understand the differences between men and women are brought about by the cultural and social attributes, rather than physical and psychological differences. To explore on how socio cultural factors have impacted on the way poor rural female entrepreneur activities in rural village markets in Tanzania. Methodology/Sample Design of the study are an ethnographic case study was used to collect data. Primary data were collected from 39 respondents from 3 village markets. Secondary data were collected from various publications and reports from villages to central government level. Observation, conversations, interviews and life stories were used to gather the required information.

The main findings of the study are: The cultural beliefs have negative impact on entrepreneurship and consequently economic development of the country, Religious and customary laws discriminate poor rural female entrepreneurs and hinder their efforts in undertaking entrepreneurial activities. Unfavorable credit repayment conditions and misuse of loans have negative impact on the growth of enterprises.

2.2.6 ENTREPRENEURSHIP AND ECONOMIC GROWTH SOME EMPIRICAL STUDIES

This is Ph. D. thesis entitled “Entrepreneurship And Economic Growth Some Empirical Studies” by Ter Verkrijging submitted to Erasmus University, Rutterdam in the year March, 2005. The importance of entrepreneurship for achieving economic growth in contemporary economies is widely recognized, both by policy makers and economists. The role of entrepreneurship in the economy has changed dramatically over the last half century. The big importance of entrepreneurship for economic growth
in modern ‘entrepreneurial’ economies is related to the increased importance of knowledge. Globalization and telecommunication and computer revolutions have reduced the cost of shifting of capital and information from high-cost location of Europe to lower-cost location around the world. Globalization has shifted the comparative advantage of high-cost locations to knowledge-based activities. Knowledge as an input into economic activity is inherently different from land, labour and capital, which has high uncertainty, and costly to transact.

The methodology of the study is: The relationship between entrepreneurship and economic performance can be measured for different units of observations, most typically the individual level, the firm level and on country or regional level. Collection of industries, like manufacturing and services. The data is collected over a long period of time, which enables to investigate the dynamics involved in the relationship. The model is tested for 23 OECD countries from 1972 onwards.

The conclusion of this is the increase in entrepreneurship positively affects economic growth in the higher income country while it negatively affects in the lower income country. In highly developed economies, growth is powered by their capacity to innovate and to win new global markets for technologically advanced products. In highly developed economies entrepreneurship contributes to grow by shifting technological frontier. Smaller firms may also flourish as they may the suppliers for large firms and may learn a lot from the large companies.

2.2.7 ENTREPRENEURIAL DYNAMICS IN LOCAL ECONOMIC DEVELOPMENT

This is Ph. D. thesis entitled “Entrepreneurial Dynamics In Local Economic Development” by Lucio Carlos Freire submitted to Gibb Aalborg University, Denmark in the year 2011. This thesis does not directly deal with economic development at global, continental or national scale. The study of the economics of cities and regions is typically known as local and regional economic development (LED). The main geographical focus has been the municipality of Frederikshavn in the North Denmark Region. But even some examples are used from European Union and the United States.

47
In short, the thesis is not focused on remarkable or outstanding cases of economic development but on ‘normal’ cities where normal people live normal lives.

The objectives of this study are: Regional development could be related to entrepreneurship and ‘the experience economy’, The project focus on entrepreneurship, experience economy and regional development. The methodology of this study is Mixed method research is used to combine qualitative and quantitative research. The innovation studies with entrepreneurship research and local economic development literature, with a particular focus on peripheral cities in the Western countries. Approximately 200 people have given the important information Research period 1990’s to 2008.

The main findings of this study is: Internationally the term ‘ the experience economy’ was rarely known outside a small community within the business-marketing field, Danish municipalities had established local development policies based on ‘the experience economy’, The strategies based on ‘the experience economy’ were not an effective contribution to local economic development for the majority of the municipalities.

2.2.8 TOWARD A THEORY OF ENTREPRENEURSHIP: THE SIGNIFICANCE AND MEANING OF PERFORMANCE AND THE EMOTION MANAGEMENT OF ENTREPRENEURS

This is Ph. D. thesis entitled “Toward A Theory Of Entrepreneurship: The Significance And Meaning Of Performance And The Emotion Management Of Entrepreneurs” by Elizabeth Shaw submitted to Brunel University in the year April, 2011. This thesis is concerned with how entrepreneurs performance the act of impression, through emotion management – the work that an individual does to manage and display situation –appropriate feelings. There is need to understand entrepreneurs emotion management, which is integral to their activities. This thesis provides the specific consideration that has been lacking.

The objective of this study is to investigate how entrepreneurs manage their emotions during business situations, To understand the interactional process of emotion
management emerges, How they make sense of what they take into account and their external display of managed feelings. Methodology of this study is Data from those entrepreneurs, who hold the knowledge of these indications and feelings of interest for this study were approached for interviews. The entrepreneur could be a sole owner of an entrepreneurial team. Location in the London and surrounding Home countries of the UK has been selected, generally from within the South East region of UK. The sample for this study consisted of 21 entrepreneurs engaged through personal contacts, where as some of them were interviewed through Internate and snowballing. Approximately 67% of the interviewers were men.

The main findings of this study are: Interpretation, meaning and interaction are central to any conceptualization of entrepreneurship, The gap of legitimation by developing the nation of entrepreneurs ‘gesture of legitimation’, The discussion highlights the normative underpinnings associated with the ‘traditional’ conceptualization.

2.2.9 ENCOURAGING FUTURE ENTREPRENEURS: THE EFFECT OF ENTREPRENEURSHIP COURSE CHARACTERISTICS ON ENTREPRENEURIAL INTENTION

This is Ph. D thesis entitled” Encouraging Future Entrepreneurs: The Effect of Entrepreneurship Course Characteristics on Entrepreneurial Intention”’s by Susan Muller submitted to University of St. GallenIrchel, Zurich in the year 2008. Entrepreneurship courses can influence the entrepreneurial intention of the participants. If we want to design entrepreneurship courses responsibly and effectively, simply knowing that we can change entrepreneurial intention is not sufficient. We also need to understand why the change occurs. The necessity of including the promotion of entrepreneurship in education programmes becomes evident if we consider both the possibility of changing people’s intentions and the economic relevance9.

The objective of this study is how do specific characteristics of entrepreneurship courses influence the intention to become an entrepreneur? How do entrepreneurship courses need to be designed to increase entrepreneurial intention. The methodology of
this study is, the present study combines exploratory and quantitative research methods. The exploratory of the study consisted of semi-structured interview written learning reflections and complementary interviews with experts in pedagogy. The quantitative study was designed as an ex ante/ ex post measurement, 465 valid pairs of ex ante/ ex post questionnaires were filled by students participating in entrepreneurship courses in 17 German-speaking universities.

The main findings of this study are: A positive attitude towards entrepreneurship seems to have a high influence on entrepreneurial intention, Entrepreneurship is an attractive occupational option linked with freedom, independence, self-realization and the ability to implement one’s own ideas, An entrepreneurial family background could lead to a higher consciousness of our openness to choose this career, Perceived behavioral control was considered a pre-condition to found one’s own company and a high influence on entrepreneurial intention.

2.2.10 IMPROVING MANAGEMENT AND THE MANAGERIAL SKILLS OF SMALL-SCALE ENTREPRENEURS (A cooperative sawmill in Guatemala)

This is Government publication article entitled” Improving Management and the Managerial Skills of Small-Scale Entrepreneurs” (A Cooperative Sawmill in Guatemala) by Ake Sahlin Management Development Branch International Labour Organisation (ILO) Geneva. Despite many favorable attributes, the average small enterprise is often struggling for survival in a hostile environment, lessons learnt in Africa show that the policy framework may times is to the disadvantage of the small entrepreneur10. For example, in the case of Nigeria, recent studies disclose that import tariffs applied fewer larger companies and the use of advanced technologies. In one case, large companies aid duties of between 0-10 percent on the import value while small-scale competitors had to pay 30-65 percent although they were producing identical or similar goods.

A result of the policy framework is that many entrepreneurs are tempted to use an inappropriate technology. They soon find themselves trapped in a situation they cannot manage. Limited technical skills mean that maintenance will be poorly done and
the machinery will deteriorate. Lack of spare parts and in some cases raw materials for the production process due to foreign currency restrictions might halt the operation all together.

Many businessmen running a small venture are also facing capital restrictions although not for investment in machinery and equipment. On the contrary, funds for investment is fixed assets are often easily accessible and in fact many small enterprises have a large unused capacity. The commonly encountered capital constraint is instead to get working capital. Indeed, very few sources are available to supply the small entrepreneur with money to buy raw material and intermediates, to pay workers wages, etc..

Small scale enterprises in the forest sector rarely exist with business as the single dominating activity of the owner/manager. The small business operation is carried out on part time basis, often as a complement to agricultural activities. In many cases, assets are also used for several ventures. It is therefore very difficult to measure the real importance and productivity of the sector or to assist the forest-based activity in isolation. It is also noted that forest based small enterprises often are located where raw materials are available. Compared with other lines of business they tend to be more spread out and consequently more difficult to reach with traditional approach and assistance such as management training and extension service.

Most forest-based small-scale enterprises apply unsophisticated methods and equipments. It seems that most work on an order bases rather than producing for stock to supply distant market. Although such a system reduces the working capital tied up in production or stock, it also limits the scope for productive improvements.

It is of interest to note that early finding from an ILO study presently being executed shows that the above mentioned characteristics apply not only to the formal sector but also to forest based business of the informal sector. A conclusion that might be drawn from this is that when discussing needs for management improvements and assistance, there are few reasons for separating analysis of small enterprises in the formal sector from that of the informal sector.
2.2.11 FACTORS INFLUENCING THE SUCCESS OF SMALL-SCALE ENTREPRENEURS IN INDONESIA.

This review is taken from eBook entitled “Factors Influencing The Success Of Small-Scale Entrepreneurs In Indonesia” by Bendicta Prihatin Dusi Riyanti submitted to Atmajaya Indonesia Catholic University Jakarta, Indonesia. This is Approximately 99% of the enterprise in Indonesia operate in small-scale sector, absorbing 88.66% of the workforce. Those small-scale are household industries use only 10% of the total circulating money, but they contribute 40% of the GDP. Small-scale business also contributes 15% of non-oil and gas exports.

Because most entrepreneurs in Indonesia are in the small-scale category, it was considered important to conduct an exploratory study in order to identify factors affecting the success of the entrepreneurs in this category. The result of such a study could be used to help increase the role and success of small-scale entrepreneurs in boosting the Indonesian economy.

Research conducted by Cunningham (in 1996) on 178 entrepreneurs and professional managers in Singapore showed that success is closely connected with individual traits (49%), education level, as well as experience. But Kim found that experience had no effect on business success. Also according to Stew(1991) age is not closely related to success in business. However, if age implies entrepreneurial age (the length of time someone conducts business), there is a relationship between age and entrepreneurial success in Indonesia.

The aforementioned individual traits are creativity and innovation Holt (1992) underlines both traits as necessary conditions to become a successful entrepreneur. Because innovation is a special means for entrepreneurs to reach success. Drucker (1985) considers it necessary for an entrepreneur to innovate systematically or habitually. Creativity and innovation are not identical, however creativity antecedent to innovation (Holt 1992 p.32). According to Amabile (1989) creativity means the emergence of new ideas, while innovation means the application of these ideas.

Entrepreneurship experts insist that personality traits are important factors in determining entrepreneurial success. Theoretical analysis of the traits of entrepreneurs
conducted by Sukardi (1991) identifies nine excellent traits in entrepreneurs; namely, instrumental, prestative/achievement, flexibility in friendship, working hard, self – confident, risk taking, self-controlled, innovative and autonomous. Sukardi showed that planned intervention can promote these major traits.

Researcher has also shown that cognitive style used in thinking is related to other measured dimensions of personality (Kirton, 1989). Thus, adaptive innovative behavior is related to entrepreneurial type identified by Miner (1996) as well as the adversity personality type of Stoltz (1997).

The purpose of this exploratory study is to help determine factors affecting business success of small-scale entrepreneurs, suing variables selected from the literature. There are three categories of variables: Demographic indices (age, experience, education), Innovation Behavior (traits, personality types), and organizational Innovation (learning organization, organizational relation).

2.2.12 SMALL-SCALE ENTREPRENEURSHIP

This review entitled“Small-Scale Entrepreneurship” is taken from ebook from Mordovia Business Catalogue. More than 28 thousand small and medium-scale enterprises operate in the republic of Mordovia. Dynamic development of small enterprises is mainly provided by implementation of the development and state support programmes of this sector of economy(7 realized since 1994). The complex programme of development and state support of small and medium enterprises in the Republic of Mordovia in 2011-2015 is currently carried out12.

An important direction of state support of small scale entrepreneurship in the Republic is attraction of finances from different sources. It is needed to satisfy infrastructural requirements of small business and implementation of highly efficient business projects in priority trends of production sphere.

With assistance from local government authorities following organizations have been established and operate in Mordovia: Non-profit organization “Regional venture fund of investments in small companies in scientific and technological sphere

Municipal programmes of entrepreneurship support are realized in all municipal districts and city Saronsk, six programmes are realized in settlement with mono-economic production structure.

A set of measures on creation of Techno park in the sphere of high technologies is being realized in Saransk. One of the goods of Techno park is creation and efficient administration of small innovation businesses, transfer and implantation of developed high technologies. Implementation of state policy of financial, information, skilled labour support of innovation, production and new socially-oriented projects of small scale entrepreneurship shall be continued within the framework of complex program of development of state support of small and medium-sized entrepreneurship in the Republic of Mordovia 2011-2015. Support measures are aimed at:-

- support of starting entrepreneurs;
- training and retraining of unemployed fundamentals of entrepreneurship, assisting their employment;
- creating favourable conditions for development of entrepreneurship activities at municipal level.
- providing small and medium enterprises access to financial resources.
- providing small and medium enterprises access to financial resources.
- assisting formation of human resource potential and positive image of entrepreneurship, including by means of Presidential program of management training for national economy.
-arranging participation of small and medium enterprises competitions for best innovation projects in exhibition and trade fair activities on favourable terms.

2.2.13 SOCIAL ENTREPRENEURSHIP LEADERSHIP THAT FACILITATES SOCIETAL TRANSFORMATION AN EXPLORATORY STUDY

This review is taken from ebook entitled “Social Entrepreneurship Leadership That Facilitates Societal Transformation An Exploratory Study” by Sarah h Alvord, L David Brown and Christine W Letts. This study provides a comparative analysis of seven cases of social entrepreneurship that have been widely recognized as successful. The paper suggest factors associated with successful social entrepreneurship, particularly with social entrepreneurship that leads to significant changes in the social, political and economic contexts for poor and marginalized groups\textsuperscript{13}.

The concept of entrepreneurship has a long history in the business sector. A major theme has been the creation of value through innovation. As applied more recently to social concerns, the concept has taken on a variety of meanings. Social entrepreneurship as combining commercial enterprise with social impacts. In this perspective, entrepreneurs have used business skill and knowledge to create enterprises that accomplish social purposes, in addition to being commercially viable. “We believe that leadership—whether group or individual—is important in the success of social entrepreneurial ventures”.

i) Building local capacity involves working with poor and marginalized populations to identify capacities needed for self-help and helping to build those capacities.

ii) Disseminating a package of innovations that serve a widely distributed need i.e. information and technical resources.

iii) Building a movement that mobilizes grassroots alliances to challenge abusive elites or institutions.

The research methodology of this study is that this study provides a comparative analyses of cases of social entrepreneurship that have been widely recognized as successful. It is a hypothesis –generating rather than a hypothesis testing approach to a complex and not yet well understood topic. The cases used in this study are drawn from
existing literature which limits to gain precisely comparable data and subject as to biases of multiple observes. The main findings and conclusions of the study is the purpose of this research has been to identify common pattern across a small set of successful social entrepreneurship initiatives. The data suggests several patterns, which have framed as preliminary hypothesis. Three general observations are important to further learning about social entrepreneurship and social transformation.

i) To recognize differences across the seven cases in the forms taken by the innovations.

ii) The data also suggest that some factors are common across initiatives, regardless of innovation form.

iii) Capacities for bridging and adaptive leadership appeared to be present in most successful management teams across all three forms of innovations.

2.3 INDIAN SCENARIO

2.3.1 SOCIAL SECURITY MEASURES IN SMALL SCALE INDUSTRIES: A CASE STUDY OF SHIROLI MIDC, KOLHAPUR

This is Ph. D. thesis entitled “Social Security Measures In Small Scale Industries: A Case Study Of Shiroli MIDC, Kolhapur” by S. M. Birajdar submitted to Shivaji University, Kolhapur in the year June, 2011. Social security programme are now increasingly being accepted as a useful and necessary instruments for the protection and stability of the labour force. The concept of social security has sprung from the feeling that capable members of the community, or the employer, or the state or all together must come forward to rescue of workers as time of their distress which may be caused due to occupational or other diseases, maternity, lay of, retrenchment, old-age, death, etc., thus social security is a dynamic concept that has influenced the economic and social policies of almost all the industrially advanced countries of the world. In most other countries too, an encouraging beginning has already been made in this direction.
The main objectives of the study are: To study the profile of small scale industries in the Shiroli MIDC, To study the socio-economic condition of employees working in the small scale industries of Shiroli MIDC, Kolhapur, To examine the social security measures available for the workers in the small scale industries in Shiroli MIDC, To examine the implementation of the social security laws by the small scale industries located in the Shiroli MIDC. Methodology of the study is that the study followed the scientific methods. There are four MIDCs in Kolhapur city. Shiroli MIDC is one of the important MIDC in the region. The Researcher has selected the Shiroli MIDC in Kolhapur city as the study region. There are total of 576 small scale industries in Shiroli MIDC in Kolhapur.

The main findings of the study are: There were 88.6 percent of male workers and 11.4 percent of female workers. It is observed that 90.4 percent worker were skilled about the procedure of payment of compensation. 100 percent workers were aware about P.F Act, 1952. All the factories deduct the P.F from workers income.

2.3.2 CHANGING ROLE OF BANKS IN ENTREPRENEURSHIP DEVELOPMENT IN INDIA

This is Ph. D. thesis entitled “Changing Role of Banks in Entrepreneurship Development in India “by Dr. Himendu P Mathur submitted to Hindu University Varanasi in the year May 2004. In India Banks are expected to provide entrepreneurs with financial assistance as well as inputs to support and promote their enterprise. The banks have been found to be lacking on both counts and the concept of integrated approach to entrepreneurship development is totally absent. The financial assistance made available by the banks is not entirely to the satisfaction of entrepreneurs15. It is imperative in the present scenario that banks reorganize themselves and develop the necessary infrastructure for providing training and imparting the requisite knowledge to entrepreneurs for running their business successfully. Entrepreneurship development is the need of the hour and the banks should actively involve themselves in this task. These efforts would be improved quality of assets and
increased business for the banks which would not only be profitable but also self-sustaining and making positive contribution to national economy. The banking sector environment in India has been undergoing a phenomenal change since 1991. The measures were adopted on basis of the recommendations of Narsimham Committee.

The main objectives of the study are: At reviewing the present role of banks in entrepreneurship development and the redefine it under the changing environment mentioned in the backdrop. Sample design and Methodology: The study relates to 11 branches of Allahabad Bank situated in Varanasi district comprising of 1 rural, 2 semi-urban and 8 urban branches. The study covers 134 borrowers representing 13.6% of the entire population. The study also covered 20 bank officials consisting of 11 branch managers and 9 other bank officials. The study is mainly based on the primary data collected from bank records, guidelines of RBI, and Allahabad Bank and the information derived from the response to the questionnaires while interviewing the respondents.

The main findings of the study are: Creating awareness of loans/advance schemes of the bank. Assistance provided by the bank to the applicants in financial aspects only as they were not equipped to handle technical and marketing matters. Many bank officers felt that adequate skills were not available with them i.e. lack of training, lack of infrastructure, and the lack of time to become familiar with the lending principles and entrepreneurial development.

2.3.3 ENTREPRENEURIAL GROWTH AND DEVELOPMENT PROGRAMMES IN NORTHERN INDIA

This is Ph. D online thesis entitled “Entrepreneurial Growth And Development Programmes In Northern India” by Krishna Lal Sharma and Hernek Singh submitted to Punjab University, Chandigarh in the year January 1979. After Independence, the Government of India, realized the adverse effects of imbalance growth, devised a scheme for the growth of a balanced and mixed economy. The important measures proposed to be taken by government were mainly three: to have proper distribution of economic power
between the public and private sectors; to increase the tempo of industrialization by spreading entrepreneurship from the existing industrial centers to other cities, towns and villages and to spread entrepreneurship from a few dominant entrepreneurs to a large number of industrially potential people of various social strata. In the second and third Five Year Plans the Government started providing capital, technical know-how, market places and land at industrially potential places to capable and interested people of varied socio-economic strata to enable them to launch as small-scale entrepreneurs.

The main objectives of the study was to examine two major issues; Whether the theoretical approaches developed in historical and ex-post facto perspectives at macro-levels for the analysis of entrepreneurship in the small manufacturing units at micro-levels and Which of the above factors were more effective at a particular stage, who and to what extent. Methodology of the study is that the data collection was done during the period of March 1975 to September 1975. All the entrepreneurs were made and most of them fell in the age-group of 30-40 years. The questionnaire was sent to about 200 potential entrepreneurs, but only 52 responded. The sample units were drawn from cities where the sample industries were highly concentrated i.e. Punjab and UP.

The main findings of the study are: This study indicate that a majority (74 percent) of entrepreneurs are from business castes and families like Vaishya and Khatri, the artisan castes like Ramgarhia and Ramdasia. The entrepreneurs of artisan castes predominated in the agricultural implements and leather sports good industries respectively. Most of these entrepreneurs (83 percent) raised the initial capital from their own resources.

2.3.4 IMPACT OF DEVELOPMENTAL PROGRAMMES ON THE ENTREPRENEURIAL ATTITUDE OF POTENTIAL ENTREPRENEURS IN RAIPUR CITY

This review is taken from Journal entitled “Impact of Developmental Programmes On The Entrepreneurial Attitude Of Potential Entrepreneurs In Raipur City” by Shilpi Gupta, published in Prabandhan: Indian Journal of Management in the year 2013. Entrepreneurial attitude can be defined as an
individual’s positive or negative intention towards any new venture, any new unforeseen situation and the techniques they use to overcome stressful and reach the target. Entrepreneurial attitude can be measured by Cognition, Affection and Behavior. Four personality traits are considered to be very important for successful entrepreneurs i.e. Achievement, Innovation, Self-Esteem and Personal Control. These traits define the entrepreneurial skills of an individual which can be polished and directed in the right direction with proper training and education. Cognition means the beliefs and thoughts already existing in the mind of an individual about a particular subject. Affect means the positive or negative feelings that motivates or demotivates a person towards the perception of an object with his past experience. Behavior or Conation highlights the behavioral components, intention and predisposition to react to a given condition or situation. All these components usually exist in the sub-conscious mind of an individual and are reflected in their pattern of work.

The main objectives of the study are: To study whether proper exposure can enhance the achievement motive inherent in an individual. To study the impact of development programmes on the innovative behavior of the sample under study. To study the impact of self development sessions in improving the personal control of prospective managers. To analyze the impact of sessions in enhancing the self-esteem of future entrepreneurs. Methodology of the study is that the study focuses on one of the leading private autonomous University of Raipur. The data was collected through Questionnaire. The questionnaire consisted of 48 items by taking into consideration the four sub-categories i.e. Achievement, Innovation, Self-Esteem and Personal Control. The respondents were MBA students of renowned private university. Only 28 students filled the questionnaire, which was grouped in two batches of 14-14 for undergoing the session.

The main findings of the study are: Today young adults gave a positive reaction in accepting entrepreneurship as a career. Entrepreneurial education and self-development sessions are the need of the hour, especially in a developing country like India. Entrepreneurship education should be made compulsory from senior secondary school level to excel mentally imbibed in the
young adults of the country. At the university level practical training should be a compulsory part to develop and tune the existing inherent qualities of the potential entrepreneurs.

2.3.5 ECONOMIC DEVELOPMENT IN INDIA: THE ROLE OF INDIVIDUAL ENTREPRISE (AND ENTREPRENEURIAL SPIRIT)

This review is taken from the Journal entitled “Economic Development in India: The Role of Individual Enterprise (And Entrepreneurial Spirit)” by Anil K Lal and Ronald Clement published in Asia-Pacific Journal in the year 2005. The role of economic development began to change dramatically with the advent of the Industrial Revolution. In the West, resulting industrialization and economic development were based on the establishment of individual property rights that encouraged the growth of private capital. Individual enterprise pursues their self-interest of survival and wealth accumulation. The instinct to survive under competitive pressures yields innovation and productivity increases, which eventually lead to both increased profit for business and lower prices to consumers. India can do more, however, to further advance its economic development. Indeed, one of the most recent microeconomic approaches to economic growth is the promotion of entrepreneurial activities. Entrepreneurial efforts have been found to generate a wide range of economic benefits, including new businesses, new jobs, innovative products and services, and increased wealth for future community investment (Kayne 1999).

Sample Design-An extensive study of entrepreneurship in 21 countries has shown that successful entrepreneurial activity is strongly associated with economic growth. Their research was subsumed under the ‘Global Entrepreneurship Monitor’ (GEM), a joint research conducted by Babson College and London Business School and supported by the Kauffman center for Entrepreneurial Leadership. The use of standardized national data supported their conceptual model depicting the role of the entrepreneurial process in a country’s economic development.

The main objectives of the study are: The strategy of economic development and the overall economic environment. To analyze the
consequences of regulated economic development in India. To assesses the results of India’s economic reforms since 1990. The role of entrepreneurship in India’s economic growth.

The main findings of the study are: India can generate additional economic growth by fostering entrepreneurial activities with its borders, particularly within middle-class. India specifically has reached a point in its development through entrepreneurial efforts. India is poised to generate new business startup in the high technology area that can be help to become a major competitor in the world economy.

2.3.6 WOMEN ENTREPRENEURS FROM INDIA: PROBLEMS, MOTIVATIONS AND SUCCESS FACTORS

This review is taken from Journal entitled “Women Entrepreneurs from India: Problems, Motivations And Success Factors” by Malika Das Journal of Small Business and Entrepreneurship in the year 2001. This study profiles women entrepreneurs who own and manage small to medium sized enterprise in two states in southern India-Tamil Nadu and Kerala. It examined the problems these women faced during the setting up and continued operation of their businesses, and the work family conflicts that these women faced. It also looked the reasons for starting a business and the self-reported reasons for their success. The initial problems faced by these women’s seem similar to those faced by women in western Countries19. However, Indian women entrepreneurs faced lower levels of work –family conflicts and seem to differ in their reasons for starting and succeeding in business.

The main objectives of the study are: To provide a profile of the women entrepreneur in two states-Tamil Nadu and Kerala. To examine the problems faced by Indian woman entrepreneurs in the start-up stage of their business. To examine the nature of work-family conflict by these women; and To examine the self-reported reasons for their success. Methodology of the study is that the data was collected through in-depth personal interview with the respondents. The sample consisted of 35 women entrepreneurs. The data was collected from two large cities. A questionnaire was used during the data collection for
collecting qualitative data through open-ended questions. Three areas of work family conflict (in their roles as spouses, parents and home makers) were measured using a Likert scale.

The main findings of the study are: Majority women entrepreneurs were operating their business as private limited companies i.e. 100% owned by themselves. Nearly 70% women were under 44 years of age. Over 90% were married. They were fairly well educated with over 50% holding a University degree. Most of the women were in manufacturing sector involved in garments, leather goods or food items.

2.3.7 PROBLEMS FACED BY THE SMALL-SCALE SECTOR- AN ANALYSIS

This review is taken from Journal entitled “Problems Faced by the Small-Scale Sector- an Analysis” by Dr. Ramvat Vaijayanti in the year January 15, 2013. The new industrial policy statement announced on July 24, 1991, has reiterated the importance of the small scale sector. As a sequel to that, the government of India announced policy measures for promoting and strengthening small, tiny and village enterprises on August 6, 1991, to provide further impetus and growth to the small sector. As per the policy statement, the primary objective of the small scale industrial policy during the nineties would be to impact more vitality and growth to the sector to enable it to contribute it fully to the economy particularly among women, enactment of suitable legislation to ensure prompt payment of small industrial bill, introduction of limited partnership Act, to enhance supply of risk capital to small scale sector, implementation of special schemes for modernization, technology up gradation and quality control, integrated infrastructural development and further promotion of internal marketing and exports are some of the measures outlined in this policy.

The main objectives of the study are: To study the various problems associated with small scale sector. These problems are classified into six major categories they are: Market structure problems, Logistic problems’ Managerial problems, Economic problems, Communication problems, Socio-psychological
problems. Methodology of the study is that the units for the study belongs to 8 types broadly categorized under agro and forest based, textile, leather, rubber, plastic and mineral based, chemical based, metal and engineering, electric and electronics and food products and others. The list of registered small scale industrial units was obtained from General Manager DIC Nanded on 31st March 1999. Numbers of permanent registered small scale industries were 1462 units. These units are working in 16 talukas of Nanded district. 73 units i.e. 5% were selected at random and information is collected.

The main findings of the study are: Small scale industries are facing full of problems. Majority of these problems arise either because of traditional mindsets or infrastructural lacunas. Various problems faced by the unit owners of small scale industries have different weight age of different points of view. Even they have major problem of socio-economic conditions and socio-psychological setups.

2.3.8 HRM STRATEGIES OF WOMEN ENTREPRENEURS OF KARBI ANGLONG DISTRICT, ASSAM: AN EMPIRICAL STUDY

This review is taken from the Journal entitled “HRM Strategies of Women Entrepreneurs Of Karbi Anglong District, Assam: An Empirical Study” by Ayekpam Ibemcha Chanu and Monalisha Terangpi published in Southern Economist in the year July15, 2013. Human resources management is an organization of workforce, considering human being as a resource. It is the process of managing human resources that is people in the organization in a structured and through manner by concerning the fields of hiring people, training, rewarding of employees, retention of employees and performance management\textsuperscript{21}. HRM is regarded as both the art and science. It is an art because managing people requires creative and Innovative approaches and it is a science as well because of the precision and rigorous application of theory in the operational function. HR manager possess certain qualities in tackling different challenges faced by the organization. He or she should know problem solving techniques and have the ability to inspire, motivate and direct employees, capacity for leadership, a sense of responsibility and a standard of social justice,
personal integrity, coupled with patience and tolerance, friendly nature, mobility of facial expression, an ability to generate trust among the colleagues and develop acceptability and readiness to cooperate in the time of difficulty. In this study the questions is raised, whether the women entrepreneurs of KarbiAnglong possessed such type of qualities and what are the strategies that they use in managing people of their enterprises.

The main objectives of the study are: To assess the nature of human resource management strategies used by the women entrepreneurs to manage their enterprises. To assess the extent of their traditional knowledge in managing human resources. Methodology of the study is based on primary data. There are 11 blocks in karbiAnglong district i.e. 7 blocks in East KarbiAnglog and 4 blocks in West KarbiAnglong. For the study one block from East Karbi angling and one block from West KarbiAnglong considered i.e. Lumbajong block and Rongkhangblock respectively, which shows the highest number of registered women entrepreneurs. There are 560 registered women entrepreneurs; out of those 204 women entrepreneurs (registered) in Lumbajong block and 27 registered women entrepreneurs in Rongkhang block. So 20 percent women entrepreneurs is considered for the study i.e. 41 women entrepreneurs from Lumbajong block and 9 women entrepreneurs of the Rongkhang block are considered. Therefore, for the study 50 women entrepreneurs have been selected randomly from the 2 blocks of the district. Even 10 unregistered women entrepreneurs also have been selected.

The main findings of the study are: Out of 50 registered women entrepreneurs only 40 women entrepreneurs responded and 10 unregistered women entrepreneurs have been responded. There is not a single enterprise owned, under the medium and heavy/large enterprise. Majority of the enterprises are still under the category of micro and small enterprise.

2.3.9 ENTREPRENEURSHIP CHALLENGES AND OPPORTUNITIES: INDIAN SCENARIO

This review Article entitled “Entrepreneurship Challenges and Opportunities: Indian Scenario” by Dr. Vineet Chouhan, Dr. M L Vasita, A
Entreprenurship has gained greater significance at global level under changing economic scenario. Global economy is poised for accelerated growth driven by entrepreneurship. Environment of super mall culture has plenty of scope for entrepreneurship in trading and manufacturing. Entrepreneurship is considered to be a prime mover in development for nations, regions and communities that activity promotes entrepreneurship development demonstrate much higher growth rate. Economic structure is very dynamic and extremely competitive due to the rapid creation of new firms and the exit of old stagnant and decline firms. An entrepreneur and an innovator in today’s world is vastly different from the earlier.

The opportunities are: Free entry into world trade, Improved risk taking ability, Government of nations withdrawn some restrictions, Technology and invention spread into the world, Benefits of specialization and Social and cultural development. The challenges are: Growth of Mall-culture, Poor Assistance, Power failure, Lack of Technical know-how, Capacity utilization and Infrastructure sickness.

Dynamic entrepreneurs look for growth, they do not have only a vision but are also capable of making it happen. They think and act globally, look for expansion, rely on external resources, seek professional advice or they work with professional teams. They challenge competitors instead of avoiding them and take and share risks in a way that leads to success. In this way economic vitality of a country largely depends on the overall level of entrepreneurial capacity, i.e. on its ability to create companies.

**2.3.10 ENTREPRENEURS OF KERALA**

This review Article entitle “Entrepreneurs Of Kerala” by Shally Joseph is published in ISBN Journal 81-7211-131 in the year 2003. In order to facilitate the promotion and development of small-scale industrial units in India, a number of specialized agencies have been set up by the Government of India as well as State Government of Kerala, which has 43 lakhs of job aspirants. There several agencies directly or indirectly involved in promoting industries. As a result, there is substantial growth in the number of small-scale industrial units in
the state at the end of the year 1992-93. Ernakulam district has 14% of the total number of small-scale industrial units registered. In Kerala, which is the highest literate state in India, the awareness about Government policy and efforts to create self-employment should be greater. But the rank positions show that both SEM and USEM were, not at all encouraged by the government support, both at the time of starting and at present. (SEM- self-employment motivation)

The main objectives of the study are: To find out whether the training programmes have influences the entrepreneurs. To find out Entrepreneurial Development Programme (EDP) is one of the motivating factors. To find out the observed difference is significant. Methodology of the study is that the sample entrepreneurs classified into SEM and USEM reveals the differentiation in the personality characteristics. Chi-square analysis was carried out to find the difference.

The main findings of the study are: Deriving satisfaction from one’s own initiative and efforts. Having more, freedom/autonomy in one’s personal life. Serving society in a better way. Self-employment as an alternative to the unemployment condition and Channelizing surplus financial resources already available.

**2.3.11 DEVELOPMENT STRATEGY AND OVERVIEW OF SMALL-SCALE INDUSTRIES (SSIs)**

This review Article entitled “Development Strategy And Overview Of Small-Scale Industries (SSIs)” by Dr. Chukka Kondaiah is published in the Journal Entrepreneurship Development for Competitive Small and Medium Enterprise in the year 2007. The Indian economy has been in a resilient mode in terms of growth, inflation, and balance of payments, and combination that offers a large scope for consolidation of growth momentum with continued macro-economic stability. The Gross Domestic Product (GDP) of the country grew by 7.5% in 2005-06, compared with 6.3% in the previous year. Some significant dimensions of the dynamic growth in recent year are a new industrial resurgence, an increase in investment modest inflation in global crude oil prices, rapid growth in exports and imports laying of some institutional foundations for
faster development of physical infrastructure and progress in fiscal consolidation. The industrial sector has also been on a high growth trajectory. The growth in the industrial sector as measured in terms of the Index of Industrial Production (IIP)

The main objectives of the study are: To increase production and to achieve a high level of national and per capita incomes. To achieve full employment. To reduce inequalities of income and wealth. To create a society based on equality, justice and absence of exploitation.

Thrust Areas- Small enterprises are the engine of growth in many economies around the world. Their ability to create jobs, faster entrepreneurship, utilize local skills and resources and provide depth to the industrial base in the economy. In India, the performance of SSI sectors has been acknowledged for over five decades. This sector has contributed to the overall growth of the GDP, to employment generation and to exports.

The areas identified for the development of SSI in the Tenth Plan were leather and leather products, textiles and readymade garments, gems and jewellery, pharmaceuticals, information technology, biotechnology, automobile components and food processing.

The main findings of the study are: There are certain challenges and several new opportunities to the SSI sector. There is increasing competition both globally and domestically. The sector has been facing problems related to institutional credit, infrastructure, and technology marketing and delayed payment from customers and large enterprises.

2.3.12 MOTIVATIONAL FACTORS, ENTREPRENEURSHIP AND EDUCATION: STUDY WITH REFERENCE TO WOMEN IN SMEs

This reviewArticle entitled “Motivational Factors, Entrepreneurship And Education: Study With Reference To Women In SMEs” by Dr. Brinda Kalyni P R.published in the the fareast Journal in the year 2008. Entrepreneurial education is one of the sizzling areas for academic institutions and business schools in recent days. Major objective of entrepreneurial education is to
provide stakeholders with adequate knowledge, skills and aptitude that to engage them in entrepreneurial ventures of various sectors. The academic institutions are paving many ways especially women folk to join entrepreneurial training programs. Women folk are motivated to pursue their opportunities to enter into an Entrepreneurship profession in order to satisfy many aspects like independence and willingness to be free, professional achievement, a means to get better well-being of their families and finance, the education of their children. Women motivation to enter into entrepreneurship lies with more reasons like learning business knowledge and skills, access to new markets and more financial options, information about the services and to earn income to their families. The present study focuses on various motivational factors of women in rural and semi urban areas that influence their entrepreneurial choice and disseminate information to various academic institutions to orient their curriculum and program in tune with entrepreneurial aspirants.

The main objectives of the study are: To understand the entrepreneurial motivational factors among women. To analyze the relationship between motivational factors and entrepreneurial factors. To analyze the influence of motivational factors on entrepreneurial factors. Suggest the educators and educational institutions for better entrepreneurial education and training interventions. The research methodology of the study is based on the lists of units developed by National Informatics Centre, TNSU, Chennai and the Membership Directories of the Kappalur, Pudur, Andipatti, Urnaganpatti and Theni Industrial Association. This particular study, focuses on motivational factors on entrepreneurial factors on women, in SIDCO Industrial Estate, in Madurai Region. The nature of study is more of a fact finding. This study follows descriptive study design as its plan of action. Thus study considered 144 women participants form the industries selected for the study.

The main findings of the study are: The aspirations of women and men do not have much difference. Women are also aware of importance of cost reduction and profit maximization. There is lack in rural and semi urban areas for the opportunity to get training in their professional and personal skills. So
educational institutions training centers and NGOs have better role in making provision skill development opportunities to rural women.

2.3.13 A STUDY OF WOMEN ENTREPRENEURS ENGAGED IN FOOD PROCESSING

This review is taken from Article entitled “A Study Of Women Entrepreneurs Engaged in Food Processing” by Veena S Somani submitted to Saurashtra University, Rajkot in 2008. The present study will throw light on a specific section of the working class the women engaged in food processing. Women have been taking up variety of careers and sources to earn income. Many women have been found to use their skills and knowledge about food in productive ways by engaging in food processing\(^{26}\). They have obtained a great acceptance among the general masses. The present study will help to understand this approach and will throw light on their knowledge, attitude and practices and problems.

The main objectives of the study are: To find out the impact of economic factors on women entrepreneurship development in food processing activity. To find out the extent to which women entrepreneurs engaged in food processing have been successful in entrepreneurship. To know about the problems faced by women entrepreneurs engaged in food processing work. To know the factors that motivate women entrepreneurs engaged in food processing. Methodology of the present study on women entrepreneurs was done on sample of 300 women of Rajkot city was divided into 12 geographical categories who were engaged in various types of food processing activities. The data was collected with the help of personal interview. The categories of all the selected independent and dependent variables were made prior to data collection. The data was analyzed by using mean distribution, standard deviations, ANOVA test etc.

The main findings of the study are: Today, women have not only safely entered into job situations, but also immersed as professionals and executives in many fields. They have found acceptance in the family as well as society. Their entry into competitive business have a great challenge. Women will be aware
about benefits received by entrepreneurs from the government. They will get information about nutrition which in turn will improve the nutritional and health status of their families. They will never compromise with quality of food and thus better foods will be made available. The percentage of unemployment of women would decrease.

2.3.14 SCIENCE, TECHNOLOGY AND INNOVATION POLICY 2013 HIGH ON GOALS, LOW ON COMMITMENT

This review Article entitled “Science, Technology And Innovation Policy 2013 High On Goals, Low On Commitment” by V. V. Krishna published in Economic and Political Weekly in the year April, 2013. The Science, Technology and Innovation Policy 2013 set a target to increase R & D expenditure to 2% of gross domestic product, through public-private partnership. But India’s Innovation potential is grossly underutilized. The small and medium enterprises in the industrial clusters are yet to be effectively served by the formal R & D institute. The Universities as centers of advanced learning and research suffer from official neglect. These have been little efforts to set up technology parks lined to them in their vicinity. With all these handicaps, will the STIP 2013 help create a robust national innovation system?

Revamp SMEs and Cluster Policies: STIP 2013 seeks to move towards a new paradigm of STI policy with a view to focus on inclusive growth and innovation. It goes on to identify a number of sectors such as energy and environment, food, water, habitat, unemployment and healthcare, among others. But the STIP 2013 has not given the attention to SMEs and the manufacturing sectors that they deserve. There are more than 600 SME industrial clusters and 3,500 artisan clusters, from metal, wood, leather, pottery, can and bamboo to textiles and spanning the country’s industrial districts and cottage enterprises. Firms and enterprises in these hundreds of clusters are on the brink of closure. These village and district industrial enterprises lack institutional support in upgrading skills among artisans and are unable to access modern tools to compete in the globalizing markets.
Liberalization and globalization have not only enforced greater competition but are demanding a new paradigm of regional and rural innovation systems. The role of knowledge institutions can come to play a major role in designing courses, developing skills and imparting training in the regional and innovation systems. There is need to evolve institutional and organizational mechanisms to link knowledge institutions with capacity building institutions at the district level. Such intermediary institutions will fulfill an important task of forgoing links between formal R&D institutions and the needs and demands of firms in SMEs and clusters. There are about 6,000 Industrial Training Institutes (IITs) that urgently need modernization and a total revamp of teaching methods. By all mean regional and rural innovation systems need to become an integral part of STI policies.

### 2.3.15 PROSPECTUS OF MICRO, SMALL AND MEDIUM ENTREPRISES IN INDIA: ROAD MAP FOR THE DEVELOPMENT OF ECONOMY

This review Article entitled “Prospectus Of Micro, Small And Medium Enterprises In India: Road Map For The Development Of Economy” by C .Usha and B .N .Raghavendra submitted to Karanatka Open University. India MSMES play a significant role for nation development through high contribution to Domestic Production, Significant Export Earnings, Low Investment Requirements, Operational Flexibility, Location wise Mobility, Low Intensive Imports, Capacities to Develop Appropriate Indigenous Technology, Import Substitution, Contribution towards Defense Production, Technology-Oriented Industries, Competiveness in Domestic and Export Markets and Generate new entrepreneur by providing knowledge and training. MSMEs represent the model of socio-economic policies of Government which emphasized job reaction at all levels of income stratum and diffusion of economic power in the hands of few, discouraging monopolistic practices of production and marketing; and contributing to growth of economy and foreign exchange earning with low import-intensive operations.
The main objectives of the study are: To assess the growth and development of Micro, Small and Medium Enterprises (MSMEs) in terms of fixed investment, employment generation and labour productivity in India. To evaluate the guidelines and policies towards MSMEs in India. Methodology of the present study covers the role of Micro, Small and Medium Enterprises in the economic development of India. The data and information relation to MSME units, employment opportunities, GDP, growth of MSMEs in pre and post globalizations period, productions and exports were compiled from various Annual Reports of MSME, Economic survey, MSME fourth census report, 12th five year plan and working group report of MSME, RBI Bulletin, etc.

The main findings of the study are: The MSME sector is a nursery of entrepreneurship after driven by individual creativity and innovations. In the year 2010-11 is 311.52 lakhs enterprise generation employment for about 732.17 lakh persons. MSMEs has shown constant growth rate of more than 10% every year till 2010-11, whereas in the year 2011-12 the growth rate was 19.06% which is approximately twice of the growth rate recorded for previous year. MSME sector contributes 8% of the country GDP, 45.24% of the manufactured output during 2007-08 and during 2008-09 it contributes 8.72% of the GDP which is significantly more compared to previous year but the manufactured output was reduced to 44.86%. The percentage of bank credit to MSME units from public sector banks has increased from Rs. 278398 crore in 2010-11 Rs. 376625 crore in 2011.

2.3.16 ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT: OPPORTUNITIES AND CHALLENGES IN INDIAN CONTEXT

This review is taken from Research paper entitled “Entrepreneurship And Economic Development: Opportunities And Challenges In Indian Context” by Prof R K Bharti ,Sarup and Sons ,1st edition 2007 ISBN 81-7625-744-3. The term ‘entrepreneurship’ closely connected with an entrepreneur. The entrepreneurship is related to the purposeful activity of an individual as a group of individuals in economic activities. In a developing economy, the process of development is highly dependent on human activities. The well-coordinated and
well planned human activities can bring about socio-economic development at a faster rate.\textsuperscript{29}

The Government of India had to face greater challenges and responsibilities for speedy growth of the economy for socio-economic welfare of the nation. The concept of mixed economy was adopted by the Government, because without the active support of private entrepreneurs the task of speeding up the economic growth cannot be accomplished.

In recent trends India has developed almost all the sectors of the economy and successes in achieving the high levels of production, income and consumption. The rate of capital formation has increased due improvement in saving and investment. As a result of this, India has become Tenth largest industrialized country of the world. Rapid progress in the field of science and technology has expanded the scope of innovations in production, processes and techniques. The Governments efforts for entrepreneurial development and motivation have resulted in good impact in the field of small business and industry.

2.3.17 DYNAMICS OF ENTREPRENEURIAL BEHAVIOR IN EVONOMIC DEVELOPMENT “CHALLENGING TASK AHEAD”

This review is taken from the Research paper entitled “Dynamics Of Entrepreneurial Behavior In Evonomic Development Challenging Task Ahead” by Prof. M B Shukla and Dr. Ranjita Gupta ,Sarup and Sons ,1\textsuperscript{st} edition 2007 ISBN 81-7625-744-3. Entrepreneurial behavior has a role in ensuring the change required by the development process. Economic system has reservoir of unused technical inventions which can be utilized by the entrepreneurs.\textsuperscript{30} Entrepreneurs also mobilizes capital source to have a command over factors of production. So they need credit to promote industrial developments which in turn deliver new goods. Resources mobilization efforts of entrepreneur also ensure the better and effective utilization of resources available in the country which accelerates economic development.
The dream of owning and operating a business is shared by majority of the population subject to constraints available to them. Entrepreneurs are motivated by the potential for profit, the freedom available in their own behavior and the ability to focus their efforts on what they truly enjoy. Some other see entrepreneurship as an attractive option due to their personal problems. In short, profit and achievement motivation have their own role in deciding the level of entrepreneurial behavior in the country.

Technical Business Incubators (TBIs) are making a significant contribution to the economic development of various nations and the era of TBIs has just begun in India. This model of facilitating the growth of knowledge based enterprises has much scope in India due to continuous improvement in scientific and technological base, both in terms of infrastructure and skilled manpower. TBIs model has great scope for creation of a new generation of entrepreneurs which will provide jobs and generate national income as well.

Incentives and subsidy encourages entrepreneurial behavior. Incentives are financial as well as non-financial. These incentives are necessary to encourage entrepreneurs for undertaking entrepreneurial activities and achieving their goals. Concessions are relaxations in policies and guidelines which motivate the environment to undertake a particular entrepreneurial activity in a given environment. Subsidy relates with a single lump sum payment given by the government to an entrepreneur as a compensation for the excess cost over administrated price for a particular product or service.

Reservation Vs. Dereservation of Items for Small Scale Sector- The policy of reservation was initiated in 1967 as a promotional and protective measure for the small-scale sector. The reservation was considered the item which is economically viable and technically feasible for manufacture in the small-scale sector, where the manufacturing price of simple nature, i.e. labour-intensive and which can meet the requirements of the consumers both in terms of quality and quantity. Small-Scale industries (SSI) will be severely affected by the removal of import quantitative restriction from April 1, 2001. SSIs may find it difficult
to compete with imports. Out of 812 items reserved for the SSI sectors, 576 items have been freed leaving 236 items under special import license or restricted list. SSI sectors had started showing signs of increasing sickness due to failure to meet the cheaper competition from aboard, which induce reduction in production and employment.

Eco Management of Ecologic Modernization aims at raising levels of both ecologic and economic efficiency by increasing material and energy effectively in production and consumption process to minimize the expense on environmental protection while keeping the cost of natural resources exploitation within acceptable limits. So eco industrial estates in an effort towards ecological modernization to led development.

2.3.18 CREATIVE ECONOMY: A NEW DYNAMIC SECTOR IN WORLD TRADE

This review Article entitled “Creative Economy: A New Dynamic Sector In World Trade” by Dhananjaya K, St. Aloysius College, Mangalore, published in Southern Economist Journal ISSN-0038-4046 Vol. 52 July 15, 2013. The concept of the ‘creative Industry’ first emerged in Australia in the early 1990’s. Originally, the term was used to describe all industries based on creativity that generated intellectual property. Creative industries are generally regarded as ‘activities that have their origin in individual creativity, skill and talent and which have potential for wealth and job creation through the generation and exploitation of intellectual property’31. The sector includes a wide range of business types, form the conventional crafts, advertising, designer fashion and antiques, to the more emerging businesses associated with the entertainment and leisure software (i.e. video games), and the extensive range of related support services.

The scope of the creative economy is determined by the extent of the creative industries. The term creative ‘economy’ appeared in 2001 in John Howkins book about the relationship between creativity and economy. Howkins used the term ‘creative economy’ in broad, covering 15 creative industries extending from arts to the wider fields of science and technology.
United Nations Conference on Trade and Development (UNCTAD) has classified creative industries into four large groups. These include heritage, arts, media and functional creations.

A. Heritage: Cultural heritage is identified as the origin of all forms of arts and the soul of cultural and creative industries. This is divided into two groups:
   a. Traditional cultural expressions: art crafts, festivals and celebrations; and
   b. Cultural sites: archaeological sites, museums, libraries, exhibitions etc.

B. Arts: This group is divided into two large subgroups:
   a. Visual arts: painting, sculpture, photography and antiques; and
   b. Performing arts: live music, theatre, dance, opera, circus, puppetry etc.

C. Media: This group covers two subgroups for communicating with large audiences.
   a. Publishing and printed media: books, press and other publication; and

D. Functional creations: This group comprises more creating goods and services with functional purposes. It is divided into the following subgroups.
   a. Design: interior, fashion, jewellery, graphic, toys
   b. New media: architectural, advertising, cultural and recreational, creative research and development (R&D) digital and other related creative services.
   c. Creative services: architectural, advertising cultural and recreational, creative research and development (R&D) digital and other related creative services.

Developing countries year after year have increased their share in world markets for creative products and their exports have risen faster than those from developed countries. Exports of creative goods from developing economies accounted for 29 percent of world exports of such goods in 1996 and reached 41 per cent in 2005, with China alone accounting for 19 percent. Creative goods sector in developing economies grew by 13.5% during 2003-2008 as compared to 10% in developed economies during the same period. Hence creative
economy is becoming a dynamic sector in both developed and developing economies.

After completing the observation of review of literatures and thesis. It can be concluded that the topic which has been selected for the present research work i.e. “An Empirical study of Small Scale Entrepreneurs in Solapur District” has not been studied by any one.

2.4 Objectives of the Present Study

1) To find out dispersal of industries to all over small town and villages which are economically lagging in Solapur District.
2) To study large scale employment opportunities created by Small Scale Entrepreneurs.
3) To examine the Government policy for the development of small scale enterprises.
4) To study the various problems of entrepreneurs in the small scale business in Solapur District.

2.5 Hypothesis

1. The total project investment and age of Entrepreneurs are closely associated.
2. The relationship between educational qualification of entrepreneurs and their project investment is significant.

2.6 Research Methodology –

A) Area of study: The study is confined to Small Scale Entrepreneurs in Solapur district only.

B) Period of study: The reference period of the present study is of 5 years i.e. from 2007-08 to 2011-12 except Questionnaire. The questionnaire were filled with present information given by the respondents.
C) Selection of Sample: At present there are 274 Small Scale Enterprises in Solapur district. For the present study 10% selected by stratified random sampling on the basis of size of investment in the project, age of the entrepreneur and education, from each Taluka. In total 30 Small Scale units and 200 consumers have been selected for present study. The numbers of Small Scale enterprises are given in table 1.

### Table 2.1
Selected Talukas

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Talukas</th>
<th>Small Scale Industries</th>
<th>Sample 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pandharpur</td>
<td>09</td>
<td>01</td>
</tr>
<tr>
<td>2</td>
<td>Akkalkot</td>
<td>05</td>
<td>01</td>
</tr>
<tr>
<td>3</td>
<td>Barshi</td>
<td>23</td>
<td>02</td>
</tr>
<tr>
<td>4</td>
<td>Mohol</td>
<td>58</td>
<td>06</td>
</tr>
<tr>
<td>5</td>
<td>Malshiras</td>
<td>07</td>
<td>01</td>
</tr>
<tr>
<td>6</td>
<td>Mangalwedha</td>
<td>03</td>
<td>01</td>
</tr>
<tr>
<td>7</td>
<td>Madha</td>
<td>16</td>
<td>02</td>
</tr>
<tr>
<td>8</td>
<td>Karmala</td>
<td>06</td>
<td>01</td>
</tr>
<tr>
<td>9</td>
<td>Sangola</td>
<td>07</td>
<td>01</td>
</tr>
<tr>
<td>10</td>
<td>South Solapur</td>
<td>30</td>
<td>03</td>
</tr>
<tr>
<td>11</td>
<td>North Solapur</td>
<td>110</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>274</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

Source: District Industrial Center Register, Solapur

D) Source of Data: Both Primary and Secondary data have been used for present research work.

i) Primary Data: Primary data has collected thought questionnaire, discussion with officials, and observations. Questionnaire contained questions regarding their liking for that particular business, location, knowledge regarding market,
finance, geographical area, required experience, gender of entrepreneur, profit earning, exports etc.

ii) **Secondary Data** : Secondary data have been collected by the officials of District Industries Center, Solapur under Pune region, District Statistical Office Solapur and through Internet.

### 2.7 Analysis and Interpretation

The collected data has processed with SPSS and various simple statistical tools and techniques i.e. simple average, ratio analysis and Chi-square.

### 2.8 Limitation of the Study –

- **Industrial Limitation** – Only small scale manufacturing entrepreneurs.
- **Geographical Limitation** – The study is limited to Solapur District only.
- **Periodical Limitation** – 2007-08 to 2011-12

### 2.9 Scheme of Chapters

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Introduction</td>
</tr>
<tr>
<td>II</td>
<td>Review of Literature And Research Methodology</td>
</tr>
<tr>
<td>III</td>
<td>Socio-Economic profile of Solapur District.</td>
</tr>
<tr>
<td>V</td>
<td>Business Performance of Small Scale Entrepreneurs in Solapur district.</td>
</tr>
<tr>
<td>VI</td>
<td>Summary of Findings, Conclusions And Recommendations</td>
</tr>
</tbody>
</table>
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CHAPTER- III

SOCIO-ECONOMIC PROFILE OF THE SOLAPUR DISTRICT

3.1 Introduction

It is very necessary to understand different backgrounds of the study area, since these backgrounds have a great bearing upon each other and one influences the other to greater extent. These background of the study area such as physical, social-economic, historical and political influences the scenario of the concerned area. Man can change and modify the physical landscape according to his need. From historical events, man can learn a lot and may implement his past experiences for future plans which help for social and economic development. To a certain extent political factors such as government policies also play a vital role in changing the scenario of concerned area. One can implement various policies and programmes by establishing different project for improvement of a socio-economic condition of the area. Even by converting forest area into agricultural land, rainwater into artificial reservoirs, which bring a large change in social and economic structure of area. Therefore, it is very necessary to give an account of each background in order to make clear over all socio-economic picture of the area to interpret the linkages of various aspects of area under study.

3.2 Physical background

3.2.1 Location-

The Solapur District is one of the district of Maharashtra State. Both in the terms of area and population it is important. The total population of Solapur district is 43,15,527 according to 2011 census. Within the area under study Karmala is the largest taluka and the North Solapur taluka is the smallest in the area wise. The district consist of eleven talukas. The area under study ranks fourth in terms of area and seventh in terms of population within Maharashtra.¹

Solapur district in located in Maharashtra state of India. Its latitudinal extent 42° 0’ East to 76° 15’ 0” East. The district occupies an area of 14,895 km² is 17° 10’ 0” North to 18° 32° 0” North, while the longitudinal extent is 74°. The study area is a
part of the Bhima basin, a main tributary of river Krishna which drains a large part of the Deccan plateau. The area is demarcated by Balaghat Range on the east and Shambhu Mahadeo Range in the west.

The district is surrounded by Osmanabad district in the East, Ahmad Nagar and Pune districts in North and North West. The Western margin of the district is demarcated by Satara and Sangali districts. Bijapur district of Karnataka forms the Southern boundary of the district.

Map 3.1
3.2.2 Physiography

Solapur district is situated on the Deccan plateau of India. It is a part of the Bhima River Basin, a main tributary of the River Krishna. Bhima River flows from North West to South East direction over the Deccan plateau. The basin is demarcated by Balaghat Range in the North and Eastern parts of the district, while Shambhu Mahadeo range is present along the Western boundary of the district. The average height of the region is 500 to 600 meters. There are slight undulations on the plateau which have given rise of nearly 40 small tanks in the area. Shikhar Shinganapur with 1050 meters height is the highest peak in the Shambhu Mahadeo range. Almost 70% of the geographical area of the district is occupied by the plateau and 20% is by the river plains. Remaining are the undulating hills present in the western and eastern parts of the district.

Physiographic Divisions:

The main Physiographic divisions of the Solapur district are as follows----

1) The Western part of the region comprises the Shambhu Mahadeo range, a water divide between the Krishna and Bhima river basins. Highest peak of the range is 1050 meters. The average height of the range is 750 meters. There are rocky as well as buried pediments at the foot hills. Most of the Sangola and Malshiras Talukas are parts of this physiographic division. It forms a boundary between Sangali and Satara Districts.

2) The North Western part of the district is occupied by the Nira basin at the Malshiras Taluka. River Nira is a major tributary a River Bhima, which is coming from the Western ghats and had a confluence with river Bhima in the north west of the district. The confluence is present just downstream of the Ujani Dam in Karmala Taluka. The river Nira has developed alluvial plain along the banks. The river forms a boundary between Pune and Solapur Districts.

3) The Central part of the district is occupied by The Bhima river basin, which forms the third major physiographic divisions. The river Bhima flower in North West - South East direction at this part of the district. Karmala, Madha, Malshiras, Pandharpur and Mangalwedha Talukas are mainly drained by this river. Thick alluvial is deposited by the river near the banks of it; while thin
alluvial is present away from the banks. At places, basalt has been exposed to the surface, and even at the banks, like near Begumpur.

Nira, Man & Korda are the main tributaries of river Bhima coming from the west and joining the right bank of the river.

4) The Eastern plateau region of the Solapur district rises above 500 meters. It is present at Karmala, Malshiras, Mohol, Pandharpur, Mangalwedha and South Solapur Talukas. It is drained by the river Sina and its tributaries. River Sina and river Bhima have a Confluence at Kudal Sangam in South Solapur taluka. Basalt has been exposed to the surface at places.

5) The Far Eastern hilly region forms a water divide between Bhima and Godavari river basins. It is known as Balaghat range, rising 600 meters above the sea level. River Bhogavati and Nagzari Originate at this range of flow for east to west. The presence of Bhogawati and Nagazari rivers has developed undulations in this region. These rivers join the River Sina, a tributary a Bhima river as stated earlier.

6) Akkalkot Plains have an average height 480 meters above sea level which are drained by the Bori River and other small 3rd order streams. The alluvial plains at the banks of the Bhima River are as low as 440 meters. These plains are covered by thick alluvium and are very fertile.

3.2.3 Climate

The term climate is a metrological term connecting a special distribution of average atmospheric conditions near the surface of the earth. The Average conditions of winds, temperature, air pressure and rainfall for a period of at least 30 years is known as climate. The climate is the principle aspect of the physical environment influencing the social and economic activities of man in particular area. It also determines the use of land and cropping pattern of the particular area. The water resources are ultimately related with the condition of climate. A part from this it influences on transportation and communication system and also on the settlement pattern which is very important.

Among the various elements of climate, the temperature is the most important element, it has the great impact on agricultural activities as well as on biotech system of Solapur. Temperature varies from place to place due to physical constraints as well
as geographical location in terms of latitude, Solapur, the region under study belong to the tropical area, which receive the maximum amount of temperature throughout the year.

In general, the climate of Solapur district is monsoonal in nature, which is divided into two seasons summer season lasting from mid-March to mid-September and a winter season extending from mid-September to mid-March. The summer season can further be divided into hot-dry weather from mid-March to mid-June and a hot-wet weather form mid-June to mid-September. Similarly, the winter season can be divided into the season of retreating monsoons form mid-September to mid-December and the cool dry weather from mid-December to mid-March.\(^2\)

June to September is the south-west monsoon season. October and November constitute the post-monsoon i.e. North-east or retreating monsoon season.

### 3.2.4 Rainfall

The rainfall is recorded by the south west monsoon winds in the study area. The annual average rainfall of the district is 584.3 mm, which is uncertain. It has been noted from the records during 1901 to 1950, there were 27 years which had the rainfall below normal. Only 10 years had average rainfall. There were frequent dry spells within the monsoon period. The average rainy days of the district are only 42.

The rainfall received in winter is mostly due to cyclones developed at the Bay of Bengal or at the Arabian Sea. This rainfall is very much uncertain. As the distribution of the rainfall is considered, the rainfall amount decreases from east to west. The eastern Taluka of Barshi, Akkalkot have average rainfall 700 mm. While the western taluka of Sangola, Malshiras have only 500 mm as average rainfall.

### 3.2.5 Droughts

The central parts of Maharashtra and Karnataka are considered as parts of semi arid region. According to Koppen’s classification of climatic region, it is classified as ‘Baw’ indicating dry semi arid climate. Since the region is away from both the coast lines of India, the south west monsoon winds become dry before reaching this region. Most of the moisture is already lost in the ghats due to
precipitation. Balaghat range and Shambhu Mahadeo range, both are of low altitude (900 m above mean sea level) compared to the eastern and western ghats rising above 1400 m. The winds can easily pass away without any precipitation as the height of the clouds does not increase considerably. The distance from the coastlines help of reduce the humidity of the air.

As per the records of the Solapur District Gazetteer (1971), there are frequent droughts.

1) 1396 A D – A drought continued for 12 years.
2) 1520 A D – Droughts, civil war, and unstable political conditions were responsible for destroying standing crops.
3) 1802, 18, 24 A D – These years also recorded droughts especially in the eastern parts of district due to low rains.
4) 1845, 62, 78 A D – were the years of drought. In 1878, there was a record of only $\frac{1}{3}$ of the annual average, rainfall.
5) 1879 to 1907 A D – recorded continuously below average rainfall.
6) 1902, 23, 25, 36, 39 to 42, 45 to 47, 52 to 55, 65, 66, 70 to 72 were the years of drought in the last century. During 1971 nearly 92% crops were failed. Apart from these records, 1988, 92, 2000 to 2004 were the years of rainfall below average.

3.2.6 Irrigation -

The Industrial development and Cultivation in the district depends upon irrigation facilities due to uncertain rainfall and scarcity of water. Out of the total cultivated area of the district, only 25.8 percent area in irrigated by means of wells, canals and lift irrigation. Well irrigation contributes nearly 75.9 percent of total irrigated area. There are 7464 number of oil pumps and 52360 electric pumps used for irrigation. Highest number of pumps is used in Pandharapur and Malshiras taluka. Karmala and Mangalwedha taluka, have lowest number of pumps. These two taluka have canal irrigation on a large scale.
3.3 Historical background

The historical background is an important aspect to understand. The history related with the changes in social, economic, political and other related issues of a particular area. One aspect influences the other aspect to a greater extent. Hence, it is necessary to include the historical and political background of the Solapur district. Most probably, Solapur was from the part of territory of the Satakarnis or Andhrabharityas, Dynasty, whose capital was Paithan on the river Godawari. A Sanskrit, later on call as Sonalipur and then Sandlapur. Within the course of time the name Solapur was changed by ‘NA’ from the original name Sonalapur. Solapur means sixteen villages together.

The district Solapur earlier formed the parts of Ahamd Nagar, Pune and Satara. Solapur district was found in 1838 and consisted of eight sub-divisions, with the reorganization of states in 1956. The district was included in Bombay state and since May 1960, it forms the part of Maharashtra state. At the time of 1961 census the district comprised of eleven talukas and ten towns. However, there have been certain changes in the number of villages during last two decades. But the number of towns in the district remained the same, now the district has eleven talukas with Solapur city as Head Quarter of the district.

3.4 Social Background

Solapur district, the region under study is situated along the border of Maharashtra and Karanataka. Andrapradesh is near by the district, which has also much influence upon the area under study. Solapur district is influenced by different social aspect such as language and traditions. The social structure of this district is made up of various religious communities like Hindu, Muslim, Buddh, Christian, Jain, Sikh and other.
The table no.3.1 clearly reveals the proportion of religious communities in order of importance, they are Hindus, Muslims, Buddhist, Jain, Christian, Sikh and others. Though the people speak Marathi, the language influences by Kannada and Telugu due to regional proximity. Therefore, migrated population can be identified easily. There is a considerable migration of the people to Solapur district form the neighboring state Karnataka and Andhra Pradesh. Among the Hindus Niralis and Rangaries are found comparatively more in number as a district is known for textile products. Muslim population is second largest in the study area. Bohara and Momin traders have come from Gujrat and Kach. Their language is Urdu but those who came from nearby villages, they speak Marathi or Kannada. Jains form 4th largest group they are followers of Digamber and Swetamber. Along with local there are many Marwadi and Gujrathi Jains. The most of the Buddhist in the region under study are known as Nava Buddha.
3.4.1 Population

The present population of Solapur district is 4315527. Population is the central point for the study of all branches of knowledge, whether it may be air, water, minerals and other element of the earth. The level of social and economic development cannot be understand properly without taking into consideration the aspects of population. Because aspects like population, growth, its distribution and density per sq.meter of area and other related population characteristics have great relevance upon the economy of an area.

Table 3.2

TOTAL POPULATION OF SOLAPUR DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
<th>Total (lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>68%</td>
<td>32%</td>
<td>38,49,543</td>
</tr>
<tr>
<td>2011-12</td>
<td>67.60%</td>
<td>32.40%</td>
<td>43,15,527</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review

The table 3.2 also depicts the percentage of population growth for rural and urban area for the period during 2007-08 to 2011-12. The population is high i.e 68% in rural area compared to urban area i.e 32% in Solapur district.

3.4.2 Sex Ratio

“Sex ratio means the birth of female for every thousand males”. There were 993 females for every thousand males. It implies that the number of males in the world, as a whole, exceed the number of females marginally. The ratio of male and female is very important in the aspect of development which shows the social and economical background of the district. In 2007-08 there were 935 female after 1000 male population, which is declined in 2011-12 by 932 after 1000 male. It is a serious matter for the district.
Thus, spatial pattern of growth rate of population various enormously within the district. The Barshi taluka recorded highest growth rate while Pandharppur taluka recorded lowest growth rate. The entire region is classified into three sub-region of population growth.

i) High Population Growth rate – Within the district the Barshi, Akkalkot and Karmala talukas have recorded the growth of population above the average for the region.

ii) Medium population Growth rate- The Madha, Mangalwedha, South Solapur and Mohol talukas fall in this category. Mangalwedha and South Solapur talukas are located extreme South of Solapur district near the border between Maharashtra and Karnataka states. While Mohol taluka is located in the Western side of Solapur city in the central part of the region.

iii) Low Population Growth rate- Sangola, North Solapur, Malshiras and Pandharppur talukas belong to this category. Malshiras, Pandharpur and Sangola are located in Western side of the district, while North Solapur belongs to eastern part of the district boardering Karnataka State.

\[
\begin{array}{|c|c|c|c|c|c|}
\hline
\text{Year} & \text{2007-08} & \text{2008-09} & \text{2009-10} & \text{2010-11} & \text{2011-12} \\
\hline
\text{Male} & 69.60 & 81.99 & 81.99 & 69.65 & 86.35 \\
\text{Female} & 51.19 & 59.84 & 59.84 & 51.19 & 68.55 \\
\text{Total} & 60.70 & 71.25 & 71.25 & 60.70 & 77.35 \\
\hline
\end{array}
\]

Source- Solapur District Socio-economic review
Solapur districts literacy rate has not still influenced the growth rate of population negatively. The birth rate is still high in Solapur district with high literacy rate. The proportion of people belonging to schedule cast and low income group is relatively high of the people belonging to low income group still do not believe fully in the family planning programme and small family size, and they are not highly literate, resulting in high birth rate.

3.4.3 Literacy Rate

The Indian census considers a person literate if he / she can both read and write a message in any language with understanding.\(^5\)

**Male literacy Rate** – It is expected that like total literacy rate, the impact of male literacy rate on the growth of population will be same. There is negative relationship between male literacy and growth of population. With increase in male literacy in Solapur District i.e in 2007-08 the literacy rate was 69-60 and in 2011-12 it has been increased by 86.35, so the growth rate of population goes on declining. Due to the high literacy in male, the social awareness among the people increases. This size of family is also decided by males

**Female Literacy Rate:** The education is an index of socio-economic development. Higher the rate of literacy is reflected in the higher performance of the workers in secondary and tertiary sectors. It means with growing female literacy the growth rate of population will decline. In 2007-08 the female literacy rate was 57.19 which now increased in 2011-12 by 68.55. The level of literacy and higher education have open the way to higher age at marriage. It is generally found that with per capita of female literacy the awareness among the people for higher standard of living, higher per capita income and small family size becomes more significant factors. These all factors have influenced on the growth of population inversely in the Solapur District.

**Literacy Ratio in Rural and Urban areas:** While studying the literacy rate, we have to see the ratio of population in rural and urban areas too. Because the development can take place only if we pay attention towards both the areas of the district.
### TABLE 3.4

**RURAL AND URBAN LITERACY RATIO (IN %)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>57.78</td>
<td>66.96</td>
</tr>
<tr>
<td>2008-09</td>
<td>68.26</td>
<td>77.51</td>
</tr>
<tr>
<td>2009-10</td>
<td>68.26</td>
<td>77.51</td>
</tr>
<tr>
<td>2010-11</td>
<td>57.78</td>
<td>66.96</td>
</tr>
<tr>
<td>2011-12</td>
<td>74.63</td>
<td>84.07</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review

The table no.3.4 clearly indicates compare the literacy rate in rural and urban areas. One can find the literacy rate is high in urban areas then rural areas i.e. 74.63 percent in rural areas whereas, 84.07 percent in urban areas in 2011-12. Even the percentage of literacy rate has been increased in both areas. In 2007-08 the literacy rate in rural area is 57.78 percent which is increased in 2011-12 by 74.63 percent. And in urban areas in 2007-08 it was 66.96 percent which has been increased in 2011-12 by 84.07 percent. The reason is awareness among the people for higher standard of living, and the importance of small size family.

**Working and Non-working population**- The total population is divided under two heads i.e. working and non-working, which shows the socio-economic condition of Solapur district
TABLE 3.5
CLASSIFICATION OF WORKING AND NON-WORKING PEOPLE
(as per 2001 census)

<table>
<thead>
<tr>
<th>Type</th>
<th>No. of people</th>
<th>In %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working</td>
<td>1743041</td>
<td>45.28</td>
</tr>
<tr>
<td>Non-working</td>
<td>2106502</td>
<td>54.72</td>
</tr>
<tr>
<td>Total</td>
<td>3849543</td>
<td>100</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review

The table no. 3.5 state that the non-working people are more than working people in Solapur district. In Solapur the unemployment problem is more due to less development of the district.

Main and marginal workers in different business in Solapur district- The working labor force are divided under two heads i.e. Main workers and Marginal workers in rural and urban areas in Solapur district.

TABLE 3.6
CLASSIFICATION OF MAIN AND MARGINAL WORKERS
In Different Business

<table>
<thead>
<tr>
<th>Working Area</th>
<th>Main Workers</th>
<th>Marginal Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer</td>
<td>525775</td>
<td>69664</td>
</tr>
<tr>
<td>Farm Labor</td>
<td>377394</td>
<td>123583</td>
</tr>
<tr>
<td>Cottage Industry</td>
<td>69419</td>
<td>14692</td>
</tr>
<tr>
<td>Other Work</td>
<td>513379</td>
<td>49135</td>
</tr>
<tr>
<td>Total Workers</td>
<td>1485967</td>
<td>257074</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review
From the table we can state that the no. of workers are more in Solapur district. Even the main worker i.e. Farmers are more compared to marginal workers both in rural as well as urban areas. At the same time people are engaged in cottage industry and other work too. With the increasing growth rate, proportion of workers also increases. The high percentage of workers in manufacturing increases the per capita income to support their family. Most of the secondary type of activities is available in urban areas of the district. Therefore, literate and educated people are associated with manufacturing activities in the urban areas in Solapur district. Which in turn positively affect the growth of population in this region.

3.5 Economic Background-

The economy of an area is an index of growth and development, which influence the standard of living of the people. The economic background occupies a significant position since, many sectors are influenced the level of economy. The natural landscape may be modified by the economic man to a greater extent. It is directly associated to the per capita income and to the standard of living of the people. Hence, it is necessary to general idea of the economic background of the Solapur district at a glance in order to understand the relationship between water resources and economic development. Agriculture is the main occupation of the people in Solapur district. However, along with other productive activities the other factors like availability of land, cropping, irrigation facilities, transport, banking etc. are included in economic background.

3.5.1 Land use of Solapur District-

The availability of water resources depends upon the intensity of rainfall, which in turn affect the land use pattern of the region. The total geographical area of the district is 14895 sq.km. which is 4.88 percent area of the Maharashtra State. The data regarding the classification of the total area of district according to various heads of land utilization not only reflects the extent of development of agricultural activities in the district, but also represents the cultivation potential of the region. The picture of any region becomes clear to analyze in order to distinguish between physical and cultural landscape. This is essential to know about the various proportions of the land
under different uses because their proportion gives an idea to the magnitude of land utilization. If the percentage of land is comparatively more under agriculture, then the economy of the region may be considered better. On the other hand, if the land under other use is relatively more for the economic activities also implies development of the region. In short, land utilization of the Solapur district will give an idea of the natural landscape which is directly related with the social and economic landscape. The Solapur district has less percentage of forest than that of country. This is due to Solapur District belong to drought prone area of Maharashtra. Land used for non-agricultural purpose in Solapur district is below 1 percent. The percentage of total cultivated land is quite impressive, which is above 69.07 percent of total area. This shows that Solapur district has been modified from natural landscape into cultural landscape on a large scale.

**TABLE 3.7**

**MAIN CROPS IN SOLAPUR DISTRICT**

<table>
<thead>
<tr>
<th>Name of the Crop</th>
<th>Total Production (in Mt.tonn 00)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08</td>
</tr>
<tr>
<td>Wheat</td>
<td>859</td>
</tr>
<tr>
<td>Jowar</td>
<td>3414</td>
</tr>
<tr>
<td>Bajra</td>
<td>77</td>
</tr>
<tr>
<td>Corn</td>
<td>472</td>
</tr>
<tr>
<td>Bangal Gram</td>
<td>285</td>
</tr>
<tr>
<td>Tur</td>
<td>145</td>
</tr>
<tr>
<td>Total Pulses</td>
<td>515</td>
</tr>
<tr>
<td>Rice</td>
<td>N.A</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>N.A</td>
</tr>
</tbody>
</table>

Source- Solapur District Social-economic review
From the table 3.7 we can state that except jowars production, cultivation of other food grains has been increased tremendously in 2011-12 compared to 2007-08 production. The production of jowar declined from 3414 to 3262 thousand mt between 2007-08 to 2011-12. Due to the increasing irrigated area under cultivation of sugarcane. The total production of sugarcane has been increased.

3.5.2 Irrigation-

Solapur District is still dependent on the vagary of monsoon. Irrigation aims at fulfilling the deficiencies of rainfall. Through which more land can brought under cultivation. Even it can help for the development of industries. In short, the object of irrigation is to do arrangement of water supply through Dams, Wells, Tanks and Canals which are the main sources of irrigation.

### TABLE 3.8

**TYPES OF IRRIGATION AND PERCENTAGE**

<table>
<thead>
<tr>
<th>Type of irrigation</th>
<th>Area in hectares (00)</th>
<th>Area in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface irrigation</td>
<td>341</td>
<td>3.21</td>
</tr>
<tr>
<td>Well irrigation</td>
<td>765</td>
<td>7.21</td>
</tr>
<tr>
<td>Net irrigation</td>
<td>1106</td>
<td>9.86</td>
</tr>
<tr>
<td>Total irrigation</td>
<td>1298</td>
<td>11.58</td>
</tr>
</tbody>
</table>

Source- Solapur District Social-economic review

The above table gives the percentage of irrigated land to total cultivated land in Solapur District. The proportion of irrigated land is relatively less due to physical constrains and scarcity of water. The surface irrigation shows only 3.21 percent area while the well irrigation is high as 7.21 percent of total cultivated land in Solapur district. Net irrigated land is 9.86 percent of total cultivated land and total irrigation is about 11.58 percent of the total cultivated land of Solapur district.
3.5.3 Transportation

Transportation and communication is an index of social and economic development in a particular area, because most of the social and economic activities are positively influenced by the network system available in that area. In terms of railways the Solapur district is quite fortunate to have sizeable length of total railway lines. As mentioned earlier the district has the total length of railway line 452.60 kilometer with in district, yet 126.90 kilometers is under construction from narrow gauge to Broad gauge.

The road is another important means of transportation for the social and economic development in particular area. Roads provide door to door services in terms of road transportation. Solapur district is better off since it has total length of road ways 14108 kilometers, out of this 188 kilometers belongs to National Highway, 173 kilometers major State Highway, while 1334 kilometers are State Highway. Apart from this major part of district have 3039 kilometer length, while other district roads occupy 2238 kilometers. The village roads are 7238 kilometers length within Solapur district to connecting all villages within the area under study.

Present Trade Routes- The Bombay-Solapur-Madras railway line of the South-Centeral Railway is the most important trade route in the district, which connects important centres in the district to Pune, Mumbai and Upper India on one hand and Hyderabad, Banglore, and the entire South India on the other hand. Almost all the commercial and goods traffic is mainly carried through this line only. The Latur-Kurduwadi-Miraj narrow/broad gauge line also serves as a feeder line to the railway routes. This routes connects the district to the Marathawada region and Sangli and Kolhapur districts. But this line is not commercially important.
TABLE 3.9
TYPE OF ROAD AND LENGTH

<table>
<thead>
<tr>
<th>Types of Road</th>
<th>Length of Road (in kms)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08</td>
</tr>
<tr>
<td>Cement concrete</td>
<td>47.74</td>
</tr>
<tr>
<td>Tar</td>
<td>59.01</td>
</tr>
<tr>
<td>Stones</td>
<td>360.61</td>
</tr>
<tr>
<td>Other Material</td>
<td>302.42</td>
</tr>
<tr>
<td>Total</td>
<td>15008.09</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review

The above table explains that the construction of road with cement-concrete has increased to 88.5 km from 47.74 km within 5 years i.e. 2011-12 from 2007-08 by 1279.79 from 6780.1 even construction of roads with stones and other material has decreased. Whereas the total no. of road is almost same in the development process.
3.5.4 Communication –

The communication system consists of posts and telegraphs, telecommunication, television and information services. It provides necessary information about the market and also supplying necessary motivation. The communication system helps to bring buyers and sellers together effectively and helps to accelerate the growth of the economy. The modern communication system has become an integral part of the development process.
3.5.5 Post office facilities-

Transportation and communication facilities are the most important facilities, joining the different settlements and population to one another for different purpose. The rule of communication facilities are now being replaced by mobile phone, landline telephone, and internet, even in rural areas. Post office and telegraph facilities were time consuming due to poor connectivity. This problem has been solved by modern communication facilities like telephone, mobile and electronic mail within short time for national and internationals connections.

**TABLE NO. 3.10**

**POSTAL SERVICES**

<table>
<thead>
<tr>
<th>Taluka</th>
<th>Total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karmala</td>
<td>54</td>
</tr>
<tr>
<td>Madha</td>
<td>52</td>
</tr>
<tr>
<td>Barshi</td>
<td>65</td>
</tr>
<tr>
<td>North Solapur</td>
<td>52</td>
</tr>
<tr>
<td>Mohol</td>
<td>43</td>
</tr>
<tr>
<td>Pandharpur</td>
<td>53</td>
</tr>
<tr>
<td>Malshiras</td>
<td>49</td>
</tr>
<tr>
<td>Sangola</td>
<td>46</td>
</tr>
<tr>
<td>Mangalwedha</td>
<td>27</td>
</tr>
<tr>
<td>South Solapur</td>
<td>33</td>
</tr>
<tr>
<td>Akkalkot</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>533</strong></td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review
From the above table we can conclude that there is highest postal services are provided in Barshi taluka i.e. 65 post offices, where as Mangalwedha has only 27 post offices, which is very low. Even in South-Solapur the number of post offices is 33 which is less scattered nature of settlements.

### TABLE 3.11

#### TELEPHONE SERVICES

<table>
<thead>
<tr>
<th>Talukas</th>
<th>Personal</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08</td>
<td>2011-12</td>
</tr>
<tr>
<td>Karmala</td>
<td>6530</td>
<td>1619</td>
</tr>
<tr>
<td>Madha</td>
<td>8664</td>
<td>2438</td>
</tr>
<tr>
<td>Barshi</td>
<td>13797</td>
<td>6372</td>
</tr>
<tr>
<td>North Solapur</td>
<td>43269</td>
<td>32493</td>
</tr>
<tr>
<td>Mohol</td>
<td>8330</td>
<td>2339</td>
</tr>
<tr>
<td>Pandharapur</td>
<td>13407</td>
<td>5022</td>
</tr>
<tr>
<td>Malshiras</td>
<td>15267</td>
<td>5913</td>
</tr>
<tr>
<td>Sangola</td>
<td>6648</td>
<td>1828</td>
</tr>
<tr>
<td>Mangalwedha</td>
<td>5203</td>
<td>1369</td>
</tr>
<tr>
<td>South Solapur</td>
<td>5833</td>
<td>1281</td>
</tr>
<tr>
<td>Akkalkot</td>
<td>7855</td>
<td>4340</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>134803</td>
<td>65041</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review

104
The above table implies that, the total use of personal and public telephone service has been reduced from 2007-08 to 2011-12. The personal uses of telephone was 134805 in 2007-08 which is reduced up to 65041 in 2011-12. Simultaneously, the use of public telephone i.e. PCO facilities has also reduced in 2011-12 compared to 2007-08 from 28532 to 9043 due to the use of mobile phone, fax, internet facilities increased in modern days.

3.5.6 Banking facilities-

TABLE 3.12
NUMBER OF SCHEDULE BANKS (BRANCHES)

<table>
<thead>
<tr>
<th>Talukas</th>
<th>No. of Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08</td>
</tr>
<tr>
<td>Karmala</td>
<td>33</td>
</tr>
<tr>
<td>Madha</td>
<td>49</td>
</tr>
<tr>
<td>Barshi</td>
<td>50</td>
</tr>
<tr>
<td>North Solapur</td>
<td>60</td>
</tr>
<tr>
<td>Mohol</td>
<td>36</td>
</tr>
<tr>
<td>Pandharapur</td>
<td>49</td>
</tr>
<tr>
<td>Malshiras</td>
<td>64</td>
</tr>
<tr>
<td>Sangola</td>
<td>35</td>
</tr>
<tr>
<td>Mangalwedha</td>
<td>26</td>
</tr>
<tr>
<td>South Solapur</td>
<td>29</td>
</tr>
<tr>
<td>Akkalkot</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>473</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review
For the overall development of region the availability of capital plays a very significant role. The financial aids and help provided by the Government mostly transfer through the cheques, demand draft and transfer order etc. through banks. Hence, bank facilities are of prime importance for the transaction of money. The bank facilities within the district have been studied by taking into consideration.

The above table indicates information regarding Banking facilities provided in Solapur district. The number of branches has increased in North Solapur during the period 2007-08 to 2011-12 by 60 to 97 whereas the number of bank branches has decreased in South Solapur in 2007-08 to 2011-12 by 29 to 22. The total number of branches has been decreased in the reference period i.e 2007-08 to 2011-12 from 473 to 465.

TABLE 3.13

<table>
<thead>
<tr>
<th>Types of Finance</th>
<th>2007-08</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>1191</td>
<td>1198</td>
</tr>
<tr>
<td>Non-Agricultural</td>
<td>1452</td>
<td>1255</td>
</tr>
</tbody>
</table>

Source- Solapur District Social-economic review

Along with schedule nationalized banks even co-operative banks are providing finance to agricultural as well as non-agricultural activities in Solapur district. Form the above table; we can state that the co-operative banks are providing finance for non-agricultural activities more than agricultural activities. Because the rate of interest on credit is more than nationalized banks which is not affordable to the agricultural sector. Even as per the survey many entrepreneurs have taken loans from co-operative banks rather than nationalized banks, due to the quick service and adequate supply of credit according to their need.
3.5.7 Commerce and Industry

Solapur is a great and convenient trade centre for the neighboring Hyderabad and Karanatak areas and it has subsequently become an industrial centre too. As Solapur was often affected by famine, labour was cheap; water facilities for mills were available and raw cotton could be available in large quantities from Hyderabad and Solapur weavers were skilled in their profession. Hence, Solapur was described as a great milling community, upon an old Indian town. 

3.5.8 Power/Electricity

Electric power, which is one form of energy, is an essential ingredient of economic development and, it is required for commercial and non-commercial uses. Commercial uses of power refer to the use of electric power in industry, agriculture and transport. Non-commercial uses include electric power required for domestic lighting, cooking use, domestic mechanical gadgets etc, with rapid growth of population and with the increase in use of modern gadgets in daily life, the demand for electricity for domestic purpose is growing faster. Even in agriculture the use of electricity is increasing. Due to the electrification in rural areas and the power used to lift irrigation and pump sets used in agriculture. The establishment of new industries like machine tools, engineering fertilizers etc, and the expansion of capacity of consumers goods industries have led to considerable increase in the consumption of power.
### TABLE 3.14

**ELECTRICITY CONSUMPTION**

<table>
<thead>
<tr>
<th>Type of use</th>
<th>Total Consumption</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08</td>
<td>2011-12</td>
</tr>
<tr>
<td>Domestic</td>
<td>2,19,340</td>
<td>36,6,650</td>
</tr>
<tr>
<td>Commercial</td>
<td>61,160</td>
<td>85,560</td>
</tr>
<tr>
<td>Industrial</td>
<td>4,93,410</td>
<td>1,42,040</td>
</tr>
<tr>
<td>Public Light</td>
<td>27,160</td>
<td>N.A</td>
</tr>
<tr>
<td>Agriculture</td>
<td>14,94,740</td>
<td>25,09,530</td>
</tr>
<tr>
<td>Other</td>
<td>78,140</td>
<td>5,91,680</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,73,950</strong></td>
<td><strong>36,95,460</strong></td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review

It may be observed that from the table, the consumption of power by agriculture sector has increased rapidly i.e. In 2007-08 it was 14, 54,740 and it increased 2011-12 by 25, 09,530. But we can observe that the share of industry in the total utilization of power has come down from 4, 93,410 in 2007-08 to 1, 42,040 in 2011-12. This does not mean that the industrial units are shifting to other sources of fuel. Many co-operative Industrial estates have set up their own captive power plant, instead of depending upon the inadequate and undependable public utilities. Even in other use like railway and street lights or public lighting the consumption has declined due to the use of solar lamps where necessary.
3.5.9 Education-

The development of human resources contributes to sustained growth and productive employment. A healthy, educated and skilled workforce can contribute more significantly and effectively to economic development. For this purpose education and health needs heavy investment in developing social infrastructure. For development of education sector, there is need of investment in primary, secondary and higher secondary school, so that people can give adequate education to their children. This would necessitate investment in school building and equipment, provision of teachers and other supporting staff.

**TABLE 3.15**

EDUCATIONAL INSTITUTES IN SOLAPUR DISTRICT

<table>
<thead>
<tr>
<th>Types of Education</th>
<th>No. of Institutes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08</td>
</tr>
<tr>
<td>Primary</td>
<td>3034</td>
</tr>
<tr>
<td>High School and Higher Secondary</td>
<td>833</td>
</tr>
<tr>
<td>Colleges</td>
<td>81</td>
</tr>
<tr>
<td>Technical Colleges</td>
<td>24</td>
</tr>
</tbody>
</table>

Source- Solapur District Socio-economic review

From the above table we can observe that the number of educational institutes has increase in the reference period i.e 2007-08 to 2011-12

3.5.10 Public health

For improvement in health of people, there is a need for creating hospitals in the district. Even for expansion of medical facilities in rural areas, there is need for having community health centers, primary health centers and sub-centers. The rural population can take advantage of hospitals at the district levels. For all these purposes,
there is a need to train doctors, nurses, paramedical personnel to provide service to the people. This implies the development of physical and human infrastructure.

**TABLE 3.16**

**PUBLIC HEALTH FACILITIES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dispensaries</th>
<th>Hospitals</th>
<th>Primary health centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>23</td>
<td>17</td>
<td>77</td>
</tr>
<tr>
<td>2011-12</td>
<td>23</td>
<td>17</td>
<td>77</td>
</tr>
</tbody>
</table>

Source- Solapur District Social-economic review

We can observe that, there is no. of public health centers, with increasing population in Solapur district from 2007-08 to 2011-12

**3.6 Summing Up**-

The Solapur district is one of the districts of Maharashtra State and possesses both in terms of area and population an important position. The total geographical area of the Solapur district is 14895 sq.km, with a population of 43,15,527 according to 2011 census. With in the area under study Karmala is the largest taluka and the North Solapur taluka is smallest in area. The District consists of eleven talukas.

Solapur district was formed in 1838 and consisted of eight sub-divisions, with the reorganization of states in 1956, the district was included in Bombay Presidency and Since May 1960, it forms the part of Maharashtra State. Solapur district is influenced by different social aspect such as language and traditions. The social structure of this district is made up of various religious communities, like Hindu, Muslim, Buddh, Christian, Jain, Sikh and other. Among the Hindus Niralise and Rangaries are found comparatively more in number as a district is known for textile products. Muslim population is second largest in the study area. Because of Solapur district was ruled by the Muslim Emperor viz, Adilshah, Nizam Shah and Mughals.
Solapur districts literacy rate has not still influenced the growth rate of population negatively. The birth rate is still high in Solapur district. The non-working people are more than the working people in Solapur district. No. of farmers are more in Solapur district. Even people are engaged in cottage industry and other work too. Literate and educated people are associated with manufacturing activities in the urban areas in Solapur district. The Solapur district has less percentage of forest than that of country. This is due to Solapur district belongs to drought prone area of Maharashtra.

The percentage of total cultivated land is quite impressive, which is above 69.07% of total area and non-agricultural purpose land is below 1% in Solapur district. Solapur district is still dependent upon the vagary of monsoon. Hence, the water supply is arranged through Dams, Wells, Tanks and Canals which are the main sources of irrigation. Solapur district is better off since it has total length of roadways 14108 km. the communication facilities are now being replaced by mobile phone, landline telephone and internet. The no. of bank branches are increased only in North-Solapur compared to other talukas. Due to the shortage of Power supply, many co-operative Industrial Estates have set up their own captive power plants. Even for other use, the solar light is used. Many educational institutions have increased in Solapur district. There is no progress in the no. of public health centers, with increasing population in Solapur district. The south-Central Railway is the most important trade route in the district, which connects important centers in the district to Pune, Mumbai and upper India on one hand and Hyderabad, Bangalore and the entire South-India on the other hand. Almost all the commercial and goods traffic is mainly carried through this line only. Hence, Solapur is a great and convenient trade centre for the neighboring Hyderabad and Karnataka areas and it has subsequently became an industrial centre too.
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CHAPTER-IV
GOVERNMENT POLICY AND SCHEMES FOR SMALL SCALE ENTREPRENEURS

4.1 Introduction

Industrial Policy means rules, regulations, principles, policies and procedures laid down by Government for regulating, developing and controlling industrial undertakings in the country. It also indicates the role of large, medium and small scale sector.

The progress of industrialization over the last sixty-three years has been a striking feature of the Indian Economic Development. The time has come when industries have to improve their productivity and efficiency by adopting modern technology and thereby reducing the cost of productivity and producing good quality products at competitive prices. There is ample scope for the existing industries to double their production and register three-fold increase in exports. For this purpose entrepreneurial visions have to be sharpened and given full support. The rational behind such an approach is that industries provide substantial scope for increasing employment as they are labour-intensive, and they require comparatively less capital. Even they have lesser gestation periods and can easily be set up in rural and backward areas. They need relatively smaller markets and hence they have an advantage in being set up an ancillary unit. They stimulate the growth of entrepreneurship, promote a more decentralized pattern of ownership diversification of economic activities, and introduce new products to enhance the standard of living of people and equitable dispersal of industries throughout rural and backward areas.

For a developing country like India, the growth of industries is of great significance. Apart from increased production, the growth of industries helps to serve as an important milestone in the country’s march towards industrial democracy. This movement has to be fostered by all-round efforts, so that a new class of talented entrepreneurs, endowed with initiative enterprise, comes in this economy. All along, new industries need to be created, infrastructure to be developed and technical and financial support to be provided for on going basis. Entrepreneurial training should also receive attention. Thus, policies and programmes form the important point of the
development process, particularly in controlling entrepreneurial spirit and channeling for the rapid growth of the economy.

Policies constitute the framework for appropriate decisions at various levels. They generally consist of statements that affect the working of a sector of the economy. The working of small-scale industries too is moulded by a number of policies, which are the base for effective plan development. The industrial policy would indicate the roles of the public, private, joint and cooperative sectors and also of the large, medium and small-scale sector which were the national priorities.

A number of policy statements on industrial development have been made by the Government of India after independence, starting with the Industrial Policy 1948.

Like other countries even in India the business climate is more informed in nature. Still the society is conservative and not interested in doing business. Though India is rich in resources and many intellectual capabilities but always preferred doing job rather than business. India has a new youth power which needs lots of job opportunities. Hence to feed this aspiring youth to maintain their living as well as a healthy family life it is necessary to promote business climate. For this purpose Indian Government already has taken many steps, including giving many incentives and subsidies to encourage youth to opt for business as another career option. Even several schemes, assistance and many benefits are being provided to entrepreneurs through different ministries under one umbrella. Before studying the various schemes launched by the Government, it is necessary to focus on the industrial policies of the Government. They are as follows:

**4.2 INDUSTRIAL POLICIES OF 1948**

India has become independent in 1947, at that time the industrial base of the economy was very small of the raw materials, efficiency of capital, bad industrial relation etc. Thus, the climate was wrought with uncertainties and suspicions. So, to solve these problems, Government of India called an Industrial Conference in December 1947 to improve matters and to remove the uncertainties and suspicions from the minds of investors and entrepreneurs\(^1\).

Hence, the first important industrial policy resolution was introduced by the government Of India on April 6, 1948. The industrial policy accepted the importance
of both public and private sectors in the industrial economy of India. Consequently, the resolution adopted a two-prolonged strategy:

i) Expansion of the state sectors in areas where it was operating and a new line of production, and

ii) Allowing the private sector to subsist and expand under proper direction and regulation.

Even importance of small and cottage industries in industrial development was accepted. Because these industries are particularly suited for the utilization of local resources and for creation of employment opportunity. But these sectors have to face acute problems of raw materials, capital, skilled labor, marketing etc. since long period of time. Accordingly, to solve these problems of small-scale and cottage industries the industrial policy emphasized on the Central Government with the cooperation of State Government.

The role of foreign capital in industrial development of the economy was recognized but the need of regulating and controlling domestic economy was deemed essential. Therefore, it was stated that in those industries where foreign investment was to be done, Indians should have a major ownership and management. Even this resolution called for harmonious relations between the management and labor which was necessary for industrial development. For industrial peace, the resolution cleared a policy for labor conditions where workers would be given fair wages and labor participation in management was also stressed.

4.3 INDUSTRIAL POLICY OF 1956

Industrial Development and Regulation Act was passed in 1957 and gave the Government the necessary experience and expertise in regulating and controlling industries in the private sector. The 1956 resolution aimed at to accelerate the rate of growth and to speed up industrialization, to reduce disparities in income and wealth, to develop heavy industries and machine making industries, to expand public sector, to build up a large and growing co-operative sector, to prevent monopolies and the concentration of wealth and income in the hands of small number of individuals. Hence, it would help in generating more employment opportunities and raising the standard of living of the people, which was laid on co-operation between public and private sectors i. e. mixed sector enterprise.
The 1956 resolution recognized the importance of small scale and cottage industries just as the 1948 resolution. Because such industries would create large employment opportunities, ensure a more equitable distribution of income and wealth helps in effective mobilization of human and physical capital. Assistance to this sector was to be provided either through direct means or indirect means. Even to reduce regional imbalance and inequalities the transport facilities, power and other facilities were provided in the backward regions. Stress on balanced development of agriculture and industry in each region was also laid. To carry out the shortage of technical and managerial personnel the programmes of industrial development in economy have been accepted and emphasized by the Government right from the beginning of the planning era. Hence, the establishment of proper technical and managerial apprenticeship scheme of training on a large scale, technical institutes were established, organization of management courses in universities were started etc. Licenses were issued to private sector units in area exclusively reserved for the state sector. These included coal, oil, fertilizers, chemicals, engineering etc.

4.4 INDUSTRIAL LICENSING POLICY 1970 AND AFTER

Majority of licenses in this field were granted to the private sector, like the machine tools industry, while public sector received only 9 licenses whereas private sector received 226 licenses. Similarly, many other industries like aluminum, fertilizers, synthetic rubber, drugs, dye stuffs etc. got licenses.

The Government announced a new industrial Licensing Policy in February 1970. The main features are as follows:

1) A core sector consisting of basic industries catering to defense requirement or of national income was defined. These industries which were reserved for the public sector in 1956 resolution remained reserved for it, while all other i.e. large industrial houses and foreign companies were allowed to participate.

2) The 1970 policy defined another sector known as the heavy investment sector. This consisted of industries involving investment of more than Rs.5 crore. Expecting the industries reserved for the public sector in the 1956 resolution, all other industries in this sector were opened to the private sector. This was concession to large houses and foreign companies whose role was limited to the core sector only. This concession enabled large houses to enter into a number of luxury industries.
3) Industries involving investment between Rs.1 crore were included in the middle i.e. medium sector. For these industries licensing policy was considerably liberalized and licensing policy were considerably liberalized and licensing procedures considerably simplified.

4) Industries involving investment between Rs. 1 crore were put in the small sector i.e. Unlicensed sector since their setting up won’t require any license.

5) The 1970 Licensing Policy adopted the concept of joint sector advocated by the Dutt Committee.

The next important Industrial Licensing Policy came on February 12, 1973. Two recommendation of the 1970 policy were kept intact in the new policy i.e one the exemption limit was raised from Rs. 25 lakh to 1 crore and the second pertaining to the joint sector. The 1973 policy expanded the scope of the core sector which was included 19 industry groups in place of 9 industries as provided in the 1970 policy.

4.5 INDUSTRIAL POLICY OF JULY 1980

The industrial policy statement announced by the Government on July 23, 1980, reiterated the Industrial Policy Resolution of 1956. Its objective was defined as facilitating an increase in industrial production through optimum utilization of installed capacity and expansion of industries. It emphasized rapid and balanced industrialization of the country with a view to benefiting the common man by increasing availability of goods at reasonable price, large employment and higher per capita income. The major function of the new policy was to solve the problems of shortage of industrial inputs like energy, transport and coal, so that the benefits of industrialization should reach all segment of the population, hence, preferences were given to agro-based industries, promotion of economic federation through coordinated development of small, medium and large enterprise, dispersal of industries to backward, rural and urban areas, and protection of consumers against high prices and bad quality of goods. Even stress was placed on promoting optimum inter-sectoral relationships.

To promote the growth of small-scale industries, investment limit for small-scale sector was raised from Rs. 10 lakhs to Rs. 20 lakhs. Similarly investment limit for ancillary units was increased from Rs. 15 lakhs to Rs. 25 lakhs. Installed capacities in excess licensed/ registered capacities in 34 selected industries were
regularized. These basic industries and those producing mass consumption good were not reserved for the small sector, even the monopoly and Restrictive Trade Practices Act, 1969 or the Foreign Exchange Regulation Act, 1973 were not applied.

Exemptions from the locational policy were granted to units engaged in the production for exports. To promote export production measures were included i.e. exemption of export oriented unit from the provision of the MRTP Act to the extent of export production; extension of facilities like duty free import of capital goods, raw materials and components and concession in respect of central excise and other levies to 100 percent export oriental industries manufacturing non-traditional items.

Since India is facing an acute energy crisis, the Government is concerned in increasing alternative sources of energy like solar insulation, wind power, bio-mass and bio-gas, geo-thermal energy, tidal power and sea power. For the modernization of many industries, financial institutions were asked to grant assistance to all such industries. Earlier, such assistance were made only to the industries like cement, sugar, cotton textiles, jute and engineering good. But now it gives assistance to all kind of industries.

The above discussion implies that the 1980 Industrial Policy opened up new vista for the private sector to expand its activities and even set up industries in the sector reserved for the state.

DEVELOPMENT COMMISSIONER RELATED SCHEMES

1) Credit Guarantee Schemes-

Ministry of Micro, Small and Medium Enterprises Government of India (GOI) and Small Industries Development Bank of India (SIDBI) established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to finance individuals, collateral free loans upto a limit of Rs. 50 lakhs for individual MSEs, both existing and new enterprises are eligible to be covered under the scheme. Entrepreneurs meeting eligible criteria may approach Banks or Financial Institutions, which are eligible under the scheme it may be Scheduled Commercial Banks and Selected Regional Rural Banks.

2) Capital Subsidy Scheme for Technology Up-gradation-

Technology up-gradation means induction to states-of-the-art or near state-of-the-art technology. Technology up gradation would mean a significant step up from
present technology level to a substantially higher one involving improved productivity, improvement in quality of product or improvement in environmental conditions. Even it includes installation of improved packaging techniques as-well-as anti-pollution measures and energy facilities.

Replacement of existing equipment with same equipment and technology will not qualify for subsidy under this scheme, nor this scheme will be applicable to units upgrading with secondhand machinery.

The revised scheme aims at facilitating technology upgradation by providing 15% up-front capital subsidy to SSI units, including tiny khadi, Village and Coir industrial units. Eligible beneficiaries includes sole proprietorships, partnerships co-operative societies and private and public limited companies in SSI sector. Priority is given to women entrepreneurs.

3) ISO 9000/ ISO 14001 Certification Reimbursement Scheme
Small Scale Sector has emerged as dynamic and making significant contribution to industrial production, export and employment generation. The process of economic liberalization and market reforms has opened up Indian small scale sector to global competition. In order to enhance the competitive strength for the technological upgradation, quality improvement and environment management, who have acquired ISO 9000/ ISO 14001/ HACCP certifications. This scheme include re-imbursement of expenses for acquiring ISO 14001 certifications only permanent registered Micro Small Entrepreneurs are eligible to avail incentive scheme. Scheme is applicable to those MSEs, ancillary, tiny units who have already acquired ISO 9000/ ISO 14001/ HACCP certification.

4) Micro and Small Enterprises Cluster Development Programme (MSE-CDP)
Government of India (GOI) has adopted cluster development approach as a key strategy for enhancing productivity and competitiveness as well as capacity building i.e improvement of technology, skills and quality, market access and capital access etc. of Micro and Small Enterprises (MSEs) in the country. Even those clustering units get various services including bank and credit agencies, to provide their services more economically by reducing costs and improving availability of services for the entrepreneurs. Industrial association or clusters can avail for this scheme.
5) National Awards

This award is given to individual Micro Small Entrepreneurs. In India, Micro, Small, and Medium Enterprises have made vast development. These sectors have registered tremendous growth as also progress in terms of quality production, exports, innovation, product development, and import substitution. Entrepreneurial efforts have made it possible to produce a number of items. This has become possible owing to the ambitions and visionary spirit of entrepreneurs of MSMEs. By recognizing efforts and contribution of MSMEs, the National Award is given annually to selected entrepreneurs and enterprises under this scheme.

i) Marketing Support/Assistance to MSMEs

To provide financial assistance to Micro and Small Enterprises to enhance their marketing competitiveness. Under this scheme, MSMEs are encouraged and motivated for the use of barcodes through seminars and reimbursement of registration fees. This scheme is applicable to those MSMEs with EM-II registration and also registration with GSI India for the use of barcode.

6) National Manufacturing Competitiveness Programme (NMCP)

This scheme has finalized a five-year national manufacturing programme. Ten schemes have been drawn up including schemes for promotion of ICT, mini tool room, design clinics, and marketing support for SMEs.

ii) Support for Entrepreneurial and Managerial Development of SMEs

This scheme is to provide early stage funding for nurturing innovative business ideas which could be commercialized in a year. Under this scheme, financial assistance is provided for setting up business incubators (BI). The cost may vary between Rs. 4-8 lakh for each incubator/idea, over all ceiling of Rs. 62.5 lakh for each Business Incubator as per the items selected. Any individual or MSME having innovative ideas near commercialization can apply to the host institution like IITs, NITs, Technical Colleges, Research Institutes etc.

iii) Scheme for Quality Management Standards and Quality Technology Tools

The scheme encourages MSMEs to understand and adopt latest Quality Technology Tools (QTT). Funding support for the introduction of appropriate course modules in technical institutions, ‘QMS awareness’ workshops. Participation in International study mission for selected MSMEs by monitoring and advisory committee. A total
contribution of Rs. 425 lakhs per year will be done by Government of India for introduction of course material training the trainer, awareness workshop and other activities.

iv) Building Awareness on Intellectual Property Rights (IPR)
This scheme enhance awareness of MSME, about IPR to take measures for protecting their ideas and business strategies. With effective utilization of IPR tools MSMEs would also assist them in technology upgradation and enhancing competitiveness. Registered MSME units can apply for this.

v) Learn Manufacturing Competitiveness Scheme
This scheme enhance the manufacturing competitiveness of MSMEs through the application of various lean manufacturing techniques. Financial assistance for Lean Manufacturing techniques primarily cost of Lean Manufacturing Consultant 80% by Government of India (GOI) and 20% by beneficiaries. Scheme is open to MSMEs. The units should be registered with DIC (EM-II) or any other agency.

vi) Design Clinic Scheme
This scheme aims to increase competitiveness of MSMEs through design and hence spread awareness on importance of design and its learning. Financial support is given for Design Awareness workshops and seminars. Government of India contribute Rs. 60,000 per seminar and 75% to a maximum of Rs. 3 lakhs per workshop. Expert agencies are appointed for conducting seminars and workshops.

vii) Marketing Assistance and Technology Up-gradation Scheme
GOI is initiative for adoption of modern marketing techniques by MSMEs consistent with the requirement of global market. GOI assistance is available in various proportions. The financial assistance is given for the awareness on new packaging technologies skill up-gradation, development programmes for modern marketing techniques, for conducting trade competition studies, for the participation in State/District level local Exhibitions/Trade fairs.

7) Bank Credit Facilitation Scheme
To meet the credit requirements of MSME units National Small Industries Corporation (NSIC) has entered into a Memorandum of Understanding with various nationalized and private sector banks. Through syndication with these banks NSIC arranges credit support without any cost to MSMEs. All documentations pertaining to
completion and submission of credit proposal to bank will be undertaken by NSIC. All MSME entrepreneurs can apply.

8) Raw material Assistance Scheme
This scheme aims at helping MSE by financing purchase raw materials both from indigenous and imported. This gives an opportunity to MSEs to focus better on manufacturing quality products.

This financial assistance of procurement of raw material is given up to 90 days. MSEs help to avail economies of purchases like bulk purchase, cash discount etc. NSIC take care of all the procedures documentation and issue of letter of credit in case of imports. All entrepreneurs can apply for this scheme.

9) Scheme for setting up new enterprises under Prime Minister Employment Generation Programme (PMEGP)
This scheme is implemented by Khadi and Village Industries Commission (KVIC) as the nodal agency at the national level. At the state level, this scheme is implemented through state KVIC Directorates, State Khadi and Village Industries Boards (KVICs) and District Industries Centres (DIC) and banks. The Government subsidy under the scheme is routed by KVIC through the identified banks for eventual distribution to the entrepreneurs in their bank accounts. The maximum cost of the project under manufacturing sector is Rs. 25 lakhs and for service sector it is Rs. 10 lakhs. Level of funding differs on the basis of Area and Category i.e. 15% subsidy for urban and 25% for rural, 10% of the project cost for General category and 05% for special category. The balance amount of the total project cost will be provided by the banks in term loan as well as working capital.

Any individual above 18 years of age can apply for this scheme. At least VIII standard pass and project costing above Rs. 10 lakhs in the manufacturing sector and above Rs. 5 lakh in the service sector. Only new projects are considered for sanction under PMEGP.

10) Small and Medium Exporters Policy
This policy particularly provides SME sector easy administrative and operational conveniences. An insurance policy for small and medium exporters are issued for a period of 12 months with 90% coverage and with a maximum loss limit of Rs. 10
11) e-Governance Schemes
This scheme is being implemented in a Public Private Partnership framework with a focus on rural entrepreneurship and market mechanism. Common Services Centre (CSCs) have been set up by implementation partners called as Service Centre Agencies (SCA) they are appointed by State Designated Agencies (SDAs) through a transport process. CSCs are operated and managed by Village Level Entrepreneurs (VLEs) and they are appointed by the SCAs.

12) Single Window Scheme (SWS)
Under this scheme both term loans for fixed assets and capital is provided through a single window. The total working capital requirement of such units inclusive of all fund based facilities is to be taken into account for determining working capital facility eligible for refinance. Entrepreneurs setting up new projects in MSE, tiny sector, new promoter can apply for this scheme. Also existing well run units undertaking modernization or technology up-gradation and potentially viable sick units undertaking a rehabilitation scheme.

13) Scheme for Development of Industrial Infrastructure for MSME sector
Setting up of industrial estates or development of industrial areas including such projects found eligible under the KVIC model. This scheme is operated through State Finance Corporation (SFCs) or Small Scale Industrial Development Corporation (SIDCs) or Banks.

14) Scheme for Rehabilitation of Sick Industrial Units
Providing assistance for rehabilitation of potentially viable sick MSME units which includes cottage and village industries and in tiny sector. The assistance is meant for sick MSE units for which proper rehabilitation packages have been drawn up. These units should be capable for rehabilitation with normal health within a reasonable time. This scheme is operated through SFCs/SIDCs/Banks.

15) Industrial Infrastructure Upgradation Scheme (IIUS)
This scheme was launched in 2003 with a view to enhancing the competitiveness of industry by providing quality infrastructure through public-private partnership (PPP) in selected functional clusters. The scheme has been suitably modified in 2009 mainly
to cut delays in the implementation of the projects and streamline the process. Central Government grant under the scheme is provided to upgrade the infrastructure of the existing clusters. The infrastructure includes physical infrastructure, R & D infrastructure, common facilities centre etc. while considering the project proposals the Apex Committee takes into account factors such as number of units, persons employed, value of output, export potential, nature of critical gaps in infrastructure and ability of industrial units to contribute 15 percent of the project cost etc.

16) Entrepreneurship Development Programme
EDP of 6-8 weeks duration, aims at training Science & Technology graduates and diploma holders in essentials of conceiving, planning, initiating and launching an economic activity or an enterprise successfully. Financial assistance of Rs. 2,00,000 is given. R & D institution or specialized training institution can apply for this scheme.

17) Support to Training and Employment Programme for Women (STEP)
This programme advocates an integrated package of inputs aiming at the self-reliance and enabling them to take up income generation activities. The scheme aims at mobilizing women in small viable groups and making facilities available through training. It also provides credit and other inputs, training for skill up-gradation. Support services for further improving and employment conditions of women and access to health care, literacy, legal literacy and other information. Public sector organizations, District Rural Development Agencies, Cooperative and Voluntary Organization, Non-public Sector working in rural areas with legal status can apply for this scheme.

4.6 NEW INDUSTRIAL POLICY 1991
The small enterprises were dynamic and vibrant sector of the economy. At present, it accounts for 55 percent of industrial production, 40 percent of exports and above 88 percent of manufacturing employment, so their contribution remains significant in the country. The small-scale enterprises have also been playing a more significant role in creating balanced economic and social development in the country. Over the years, small entrepreneurs have emerged as the leaders in the industrial sector in India. By recognition of their significance and statutes, the new government announced policy measures for promoting and strengthening small, tiny and village enterprises on August 6, 1991 for the first time in the post-independence period. The
policy on tiny, small village enterprises envisages almost U-turn in policy stimulants and structure of both micro and small enterprise in the country.

The major objectives of the new policy were to build on the gains already made, correct the distortions or weakness that have crept in, maintain a sustained growth in productivity and gainful employment, and attain international competitiveness. The other objective are- i). To decentralize and delicense the sector ii). To deregulate and debureaucratise it. iii) To review all statues regulations and procedures and affect suitable modifications wherever necessary iv) To promote small enterprises; especially industries in the tiny sector v) To motivate small and sound entrepreneurs to set up new green enterprises in the country vi) To involve traditional and reputed voluntary organizations in the intensive development of Khadi and village Industry (KVIs) through are approach; vii) To maintain a sustained growth in productivity and attain competitiveness in the market economy, especially in international markets; viii) To industrialize backward areas of the country; and ix) To Accelerate the process of development of modern small enterprises, tiny enterprises and village industries through appropriate incentive, institutional support and infrastructure investments.

Thus, the total approach of the new policy is towards creating an atmosphere conductive to the development of entrepreneurship and technological progress. The number of industries reserved for the public sector since 1956 was 17. This number has now been reduced to 6. The new industrial policy has removed all the core industries from the Reserved List. Industries which continue to be reserved for the public sector in areas where security and strategic concerns are predominate. The new industrial policy also states that the government will undertake review of the existing public enterprises in low technology, small-scale and non-strategic areas, when there is low or nil social consideration or public purpose. Sick units will be referred to Board for Industrial and Financial Reconstruction for rehabilitation and reconstruction.

Industrial location policy was liberalized in the new industrial policy. It is mentioned that, in location other than cities of more than 1 million population, there will be no requirement of obtaining industrial approvals from the centre, except for industries subject to compulsory licensing. In cities with a population of more than 1
million, industries other than those of a non-polluting nature, were required to be located outside 25 kms of the periphery.

4.7 THRUST AREAS OF THE POLICY FOR SMALL ENTERPRISES

The principal thrust of the new industrial policy for small enterprises is to speed up their modernization and bring them into the mainstream of industrialization. The new policy for small enterprises has several welcome features and indicates a reorientation of policy on crucial issues like speedy modernization, upgradation of technology, availability of chap, adequate and timely credit and quality control. This is welcoming change from the previous policy, which is fostering their unstructured growth through incentives and concessions. More significantly the new policy created scope for expanded investment in the small-scale sector. The integration of the Indian economy with the global economy has created greater exposure for small and medium sized industries to international and domestic competition and appropriate development of the skills and management capabilities of small entrepreneurs.

4.7.1 Payment mechanism

The new policy seeks to improve the payments mechanism to enforce payments on time. This is necessary to ensure that small industries may also controlled through equity and technology. In less time than the present, the shift form cheap credit to prompt payment would have meant immense relief to small enterprises. But the steep hike in lending interest rates and virtual credit squeeze that small enterprises forced to accept.

4.7.2 Factoring services

Factoring has recently been introduced by the state bank of India in Western India in collaboration with the Small Industrial Development Bank of India (SIDBI) Similar service has been set up in the South by Canara Bank in collaboration with SIDBI. At present, these factoring service accept only receivables against ‘first rate large and medium enterprises’. In no case such enterprises can be accused of delayed payment. In this context, the promised legislation to ensure prompt payment of bills will meet one of the acutely felt needs of small suppliers of goods and services.
4.7.3 Resources for SSI

The most important change for the modern small-scale sector is the provision of additional finance by permitting limited liability for new non-active partners and by permitting up to 24 percent equity investment by other industrial undertakings. This could encourage indirect ownership of small units by larger corporate entities. Even there is a great deal of merit in encouraging ancillary industries because it promotes the greater use of labour-intensive techniques of production and also broad based entrepreneurship.

4.7.4 Timely and Adequate Credit

The encouraging feature of the new policy is that it recognize the fact that the small units require timely credit and financing arrangement rather than cheap credit. The scope of the single window clearance, which has been enlarged to cover project cost Rs.20 lakh and working capital upto 10 lakh make things easier at the entry point. The point is to ensure that units once set up are allowed to function smoothly by the timely provision of additional credit. More than one-third of manufacturing output originates in the small-scale sector, and more than 40 percent of total exports, this sector deserves much encouragement as the large industrial sector.

4.7.5 Nodal Agency

The Small Industry Development Organization (SIDO) has been recognized as the nodal agency to support the SSIs in export promotion. ‘An export development Centre’ was to be set up in a network of field to further augment export activities of this sector. A technological development cell would also be set up in a network of field officers to further augment export activities of this sector. A technological development cell would also be set up ‘SIDO’ to provide technology inputs for improving productivity and competitiveness of SSI products. Regulatory provisions relating to the management of Private Limited Companies are being liberalized. The Limited Partnership Act will be introduced to enhance the supply of risk capital to the small-scale sector. To facilitate location of industries in backward areas and to promote stronger linkage between agriculture and industry, a new scheme of integrated infrastructural development for small-scale industries were implemented with the active participation of State Government and Financial Institutions.
4.7.6 Marketing

Marketing promotion would be undertaken through cooperative, public sector institutions, other professional and marketing agencies backed up by such incentives as considered necessary. The National Small Industries Corporation (NSIC) concentrates on marketing of mass consumption items under a common brand name. An export development centre have been set up in SIDO to serve the small-scale industries through its network of field officers to promote exports.

4.7.7 Raw Material

Tine, small-scale units were given priority in the allocation of indigenous raw materials. Beside this, adequate and equitable distribution of imported raw materials would also be ensured for small-scale sectors. It has been felt that marketing has a big hurdle in the promotion of tiny and small sector. Hence, market promotion have been undertaken through cooperative/public sector institutions and other specialized promotional marketing agencies.

4.7.8 Quality

To improve the quality of goods and services of small-scale units, industry associations are encouraged and supporting to establish quality counseling and other testing facilities. Technology information centres were established to provide update knowledge on technology and market. Compulsory quality control units are enforced. Additional employment opportunities were generated through training of multidisciplinary managers for the special requirements of the small-scale sectors. Indian Institute of Technology (IIT) and selected regional/other engineering college will provide technological information, design and development centres for the SSIs in their respective command areas. Rules and procedures, related to establishment and functioning of SSI are simplifies.

4.7.9 Missing Aspects

The most missing feature of the new policy is the absence of any provision for restoring health and vitality to viable sick units. The policy is also silent about the future of young men and women, so that their parents could mobilize for setting up units which had to be closed down for a bonafide reasons. Even they are involved in recovery of income tax, sales tax and statutory levies and bank loans. The policy is also silent on price preference to small-scale and tiny industries by Central, State Governments and public sector enterprises. Similarly, it does not mention whether
existing purchase preferences for goods of the small-sector including micro enterprises will continue. This has caused serious misunderstanding in the minds of small-scale industries. The policy is also silent on important components like management and entrepreneurial development on the one hand and integration of micro and village industries with other industries. A better linkage with the other components is very vital, otherwise corporate bodies and multinationals will override this sector.

4.7.10 Tiny or Micro Sector

The policy statement gave a new thrust for the development of tiny enterprises which accounts for nearly 90 percent of all small-scale units. The investment ceiling has been raised from Rs. 2 lakh to Rs. 5 lakh. A significant feature of the policy is the due recognition. To strengthen the micro sector, it has been decided to recognize all industries related service and business enterprises.

4.7.11 Village industries

Intensive Development of KVIs through area approach with tie-up with DRDA, TRYSEM and other development programmes relating to weaker sections like Scheduled Castes, Scheduled Tribes and Women were extended throughout the country. The traditional village industries were given greater thrust. Involvement of traditional and reputed voluntary organizations were encouraged for this purpose. The new policy’s provided by bodies like the small-scale industries development organizations, the process-cum-product development centres, the National Small Industries Corporation etc.

4.8 NEW POLICY DIRECTIVES 1997

An expert committee on Small Enterprises was held in December 1995 under the Chairmanship of Shri. Abid Hussain, he submitted its report in January 1997. The committee gave important recommendations for small-scale sector. They are as follows:

4.8.1 Cluster Development

State Government should identify existing clusters and promote joint ventures between local authorities and business associations.

4.8.2 Technology support

The problems of technology lag for SSIs it is necessary to establish long term alliances with large companies of their location as small-industries. The investment
ceiling would correspond to those of tiny/micro enterprises. While the small-scale sectors will get one-time benefit like preference in land allocation, power connection, facilities for skill and technology upgradation, including easier access to institutional finance, priority in the government purchase programme and relaxation from certain provisions of labour laws.

4.8.3 Handloom Sector

Schemes for the handloom sector will be redesigned for the local and regional needs. Substantial funds will be provided for modernization of looms, training, provision of better design, better dyes and chemicals and marketing assistance, spinning capacity in the cooperative sector will be increased. National Cooperative Development Corporation (NCDC) will provide more assistance for the seed money, both for cotton growers, ‘spinning mills and weavers’ spinning mills. The Janata cloth scheme which sustains weavers often on a minimum level of livelihood was phased out by the Eighth Plan and replaced by the ‘Omnibus Project Package Scheme’ under which substantial funds were provided for modernization of looms, training, provision for better designs, better dyes, chemicals and marketing assistance. The role of National Handloom Development Centres (NHDCs) is also being enhanced. It is a nodal agency for increasing supply of bank yarn, dyes and chemicals through the process of ancillarisation. The competitive strength of SSIs become fragile due to technological obsolescence and low quality products as per international standards. Therefore it is recommended that the Department of Science and Technology should initiate a new scheme in the Ninth Five Year Plan to form 50 R & D associations with interested small-scale units as members, based on identified clusters and provide funding. It was also recommended that a National Research Institute should be established to promote schemes for assisting technology upgradation and research and development for small-scale enterprises. This institute operates as a networking institute and clearing house for policy studies and technology issues which are raised by the small-scale industry.

4.8.4 Infrastructure Development

Private Sector to be encouraged in the development of industrial parks. State government should provide an opportunity for inviting private sector participation in up gradation and management of existing industrial park. Even state government to
set up State Industrial Parks Promotion Authorities (SIPAs) which would regulate the setting up of these parks and assist and negotiate with the private sector for their participation.

4.8.5 SSI Associations Related Issues

Dissemination of information services through the centre which may be set up in collaboration with SIDB or State Government. For emerging needs of the SSI sector in the light of the opening up of the economy, there is need for having common facility centres at district or cluster level which will be set up on professional lines to help small units and saving costs. To set up companies to market products of member units, common testing centres, etc.

4.9 NEW INITIATIVES MSMED ACT 2006

The Micro, Small and Medium Enterprises Development (MSMED) Act 2006, seeks to facilitate promotion and development to enhance competitiveness of these sector. It provides the first-ever legal framework for recognition of the concept of ‘enterprise’ i.e micro, small and medium. The Act provides for a statutory consultative mechanism at the national level with wide representation of all sections of stakeholders, particularly the three classes of enterprises, and with a range of advisory functions. Establishment of specific funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes for this purpose, progressive credit policies and practices, preference in Government procurements to products and services of the micros and small enterprises, more effective mechanisms for solving the problems of delayed payments to micro and small enterprises, and simplification of the process of closure of business by all three categories of enterprises are some of the other features of this legislation.

4.9.1 National Manufacturing Competitiveness Programme (NMCP)

Government formulated this programme in 2005-06 for Small and Medium Enterprises (SMEs) in their endeavour to become competitive. The design of the scheme was to be worked out the National Manufacturing Competitiveness Council (NMCC) in consultation with the industry. It was implemented in the Budget 2006-07, which comprised of ten manufacturing, Design Clinic, Promotion of ICT in
manufacturing sector, setting up Mini-Tool Rooms, Technology and Quality Management support for SMEs, Entrepreneurial and Management Technology Tools, National Campaign for investment in Intellectual Property, SMES and Technology Upgradation Activities and Marketing Support or Assistance to SMEs. Its implementation will be in the (PPP) Public, Private Partnership mode.

Package For Promotion of MSEs

Government describes the small scale industries as ‘‘the most employment-intensive segment’’. This segment is next to agriculture as employment provider. The Government is also conscious of the challenges and opportunities that the MSEs face in wake of the fast changing global economic scenario. Accordingly, in order to assist the MSEs in fully harnessing their potential by enhancing their competitiveness to face the challenges of stiff competition both in the domestic and global market and in availing opportunities generated by trade liberalization, the Government in its NCMP (National Common Minimum Programme) declared a ‘‘major promotional package’’ to provide full support in the area of credit, technological up-gradation, marketing and infrastructure up-gradation in major industrial infrastructure.

The NCMP package has been formulated which include issues as i) legislative back up ii) Credit support iii) Fiscal measures iv) Support for cluster development v) technological and quality up-gradation support vi) marketing support vii) entrepreneurial and managerial development viii) empowerment of women and owned enterprises ix) strengthening of Prime Minister’s RozgarYojana and x) strengthening of data base for MSME sector.

4.9.2 Reservation/De-reservation of Products for Manufacture in the small scale sector

This policy was started in 1967. The objective was socio-economic development, by way of development and promotion of small units all over the country to meet the challenges of regional industrial imbalance, employment generation through self-employment ventures, increased productivity etc. The decisions taken by the Government after considering the recommendations of the Advisory Committee. This committee has met 26 times, so far, the last meeting have been held on 24 October 2006. During the year 2006-07, 180 items were reserved for
manufacturing in small scale industries have been de-reserved. As on date there are 326 items reserved for exclusive for manufacturing units in small scale sector.

4.9.3 National Small Industries Corporation

Monitoring of the progress on each scheme is being done at Head Office level on monthly basis. The Corporation has adopted the role of facilitator. The various measures undertaken by NSIC to improve its operational performance resulted in the Corporation’s achieving operating profit in the year 2005-06. Further, corporation has taken some new initiatives in the recent years which includes:

1) Insurance of Export Credit for Small Enterprises under Strategic Alliance between NSIC and ECGC

NSIC has entered recently into an arrangement with Export Credit Guarantee Corporation of India Ltd. (ECGC) for facilitating small enterprises to ensure their export credits, small enterprises would be helped in insuring their export credits through any office of the corporation, located all over the country. This arrangement has strengthened promotion of exports from small enterprises.

2) Reaching out to Small Enterprises

During the year 2006-07, NSIC signed MoUs with various industry associations located all over the country. The information about the schemes of the corporation is being disseminated through the offices of the industry associations. This association has facilitated small enterprises in getting the services of the corporation at their doorstep.

3) Establishment of Business-Incubator

NSIC has set up a Technology Business Incubator for the IT sector. Infrastructure facilities like ready to move in space, hardware, software etc. have been provided in the IT incubator which also include first generation entrepreneurs, start-up entrepreneurs having viable business project, individuals aspiring to venture into new projects. Even NSIC is setting up projects with appropriate technology for small entrepreneurs. This would provide an exposure to the new entrepreneurs for setting up projects in the country. The prospective entrepreneurs would also get practical training on the machineries. The delegates form different developing countries can visit NSIC.
for the live demonstration of the project that they are interested in sourcing from India.

4) New infrastructure facilities to SMEs for marketing their products
Adequate infrastructure facilities have provided to the Micro, Small and Medium Enterprises at economical rates. This will help them in enhancing their marketing avenues by capturing new markets and expanding existing market.

4.10 GOVERNMENT LOAN SCHEME FOR SMALL BUSINESS

Central and State Government has introduced some policies and schemes to align the need of small business. Some of the Nationalised Banks like State Bank of India (SBI), Andhra Bank and Bank of Baroda offer various kinds of financial schemes which help business owners to get wide range of financial services in meeting their business requirements. These public sector banks following schemes can indeed assist the financial challenges faced by SMEs:

1. Working capital finance- It is available to meet the operating expenses, receivable financing, direct funding or by letter of credit.
2. Corporate term loan- Such loan is useful for any new venture or expansion of business.
3. Term finance- For modernization or diversification the capacity of existing units e.g. land, building, plant and machinery etc.

Apart from public sector banks some Government financial institutions also play a vital role for financing and development of small business. They are as follows:

4.10.1 Small industries development bank of India (SIDBI)

The preamble to the Small Industries Development Bank of India Act, 1989 defines the objective of SIDBI as: ‘’the principal financial institutions for the promotion, financing and development of industry in the small scale sector and to coordinate the functions of the institutions engaged in the promotion and financing or developing the industry in the small scale sector and for the matters connected therewith or incidental thereto.’’
It had started its financial assistance to small business enterprises in 1990 and was established by an act of Parliament. In India SIDBI has now become the vertex among the Government financial institutions. It is actively taking part in promotion and development of small business industry various schemes under SIDBI are Direct Assistance Scheme, Indirect Assistance Scheme, Promotional and Development Activities, National Equity Fund Scheme, Technology Development and Modernization Fund Scheme, Single Window Scheme, MahilaUdyamNidhi (MUN) Scheme and Equipment Finance Scheme.

4.10.2 National Small Industries Corporation Limited (NSIC)

It was set up in 1999 to encourage and advance the growth of small scale business industry. The major feature of NSIC is to import machines on hire purchase terms. It also focuses to supply and distribute indigenous and imported raw materials and export the product of small business unit, at the same time NSIC creates awareness of technological advancement like software technology.

4.10.3 National Bank for Agriculture and Rural Development (NABARD)

NABARD was established in terms of the Preamble to the Act, ‘‘for providing credit for the promotion of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting IRDP and securing prosperity of rural areas and for matters connected therewith in incidental thereto’’. The main objectives of the NABARD as stated in the statement of objectives while placing the bill before the Lok-Sabha were categorized as under:

i. The National Bank will be an apex organization in respect of all matters relating to policy, planning operational aspects in the field of credit for promotion of Agriculture, Small Scale Industries, Cottage and Village Industries, Handicrafts and other rural crafts and other allied economic activities in rural areas.

ii. The Bank will serve as a refinancing institution for institutional credit such as long-term, short-term for the promotion of activities in the rural areas.

iii. The Bank will also provide direct lending to any institution as may approve by the Central Government.

iv. The Bank will have organic links with the Reserve Bank and maintain a close link with in.
It is for the promotion of rural business enterprises especially in agriculture sector. It offers support to small industry like cottage and village industry using credit and not credit approaches.

4.10.4 World Association for Small and Medium Enterprises (WASME)

In India WASME is the only non-governmental organization for SMEs with the intent to develop the action plan for the small and medium business. It grants some subsidized schemes for growth of rural enterprises.

Hence, these Government and public sector bank schemes are helpful not only for the modern small scale industry but to the rural business industry too. So that it help to bring change in the economic development of the country.

4.10.5 Credit Guarantee Fund Scheme

The Government approved Credit Guarantee Fund Scheme for Small Industries on 19th May, 2000, with the objective of making available credit to SSI units, particularly tiny units, for loans up to Rs. 10 lakh without third party guarantee. The scheme is being operated by the Credit Guarantee Trust Fund for Small Industries (CGTSI) set up by Government of India and SIDBI. The Trust was incorporated on 27 July 2000. The scheme has been operationalised with effect from 1st January 2001. Subsequently, the Government decided to increase the eligibility limit of loans to be guaranteed from Rs. 10 lakh to Rs. 25 lakh. Necessary modifications have been carried out in the indenture of the Trust to enable CGTSI to guarantee loans up to Rs. 25 lakh and to provide for a counter guarantee to other institutions.

A small scale industry is an industrial undertaking in which investment is fixed assets in Plant and Machinery, whether it is on ownership term or on lease or hire purchase, does not exceed Rs. 1 crore. However, this investment limit is varied by the Government from time to time. Entrepreneurs in small scale sector are normally not required to obtain a license either from the Central Government or the State Government for setting up units in any part of the country. Registration of all small scale units is also not compulsory. But, its registration with the State Directorate or Commissioner of Industries or DIC’s makes the unit eligible for availing different types of Government assistance like financial assistance from the Department of Industries, medium and long term loans from State Financial Corporations and other
Commercial Banks, machinery or hire purchase basis from the National Small Industries Corporation (NSIC) etc. registration is also an essential requirement for getting benefits of special schemes for promotion of SSI viz. Credit guarantee scheme, capital subsidy, reduced custom duty on selected items, ISO-9000 certification reimbursement and several other benefits provided by State Govt.

The Ministry of Micro, Small and Medium Enterprises acts as the nodal agency for growth and development of SSI’s in the country. The ministry formulates and implements policies and programmes in order to promote small scale industries and enhance their competitiveness. It is assisted by various public sector enterprises like:

1. Small Industry Development Organization (SIDO) is the apex body for assisting the Government in formulating and overseeing the implementation of its policies and programmes, projects, schemes.

2. National Small Industries Corporation Ltd., (NSIC) was established by the Government with a view for promoting, aiding and fostering the growth of SSI in the country, with focus on commercial aspects of their operation.

3. The Ministry has established Three National Entrepreneurship Development Institutes viz. National Institute of Small Industry Extension Training (NISIET) at Hyderabad.

National Institute of Entrepreneurship and Small Business Development (NIESBUD) at Noida. And Indian Institute of Entrepreneurship (ITE) at Guwahati.

All the above institutes are engaged in development of training modules undertaking research and providing consultancy services for entrepreneurship development in the SSI sector.

1. The National Commission for Enterprises in the Unorganized Sector (NCEUS) has been constituted with the mandate to examine the problems of enterprises in the unorganized sector and suggest measures to overcome them.

2. Small Industries Development Bank of India (SIDBI) acts as apex institution for financing SSIs through various credit schemes.

SSIs are a vital segment of Indian economy in terms of their contribution towards country’s industrial production, exports, employment and creation of an entrepreneurial base. These industries largely represent a stage in economic transition from traditional to modern technology. The development of small
industries offer an easy and effective means of achieving broad based ownership of industry, the diffusion of enterprise and initiative in the industrial field.

Giving their importance, the Government policy framework right from the First Plan has highlighted the need for the development of SSI sector keeping in view its strategic importance in the overall economic development in India. Accordingly, the policy supported from the Government towards SSI has tended to be conducive and favourable to the development of small entrepreneurial class. Government accords the highest preference to development of SSI by framing and implementing suitable policies and promotional schemes. The most important promotional policy of the Government for the SSI’s is fiscal incentives in the form of tax concessions and exemptions of direct or indirect taxes leviable on production or profits.

The small scale industry sector output contributes almost 40 percent of the gross industrial value-added by directly or indirectly and it is the second largest employer of human resource after agriculture. The development of small scale sector has therefore been assigned an important role in India’s national plans.

To protect, support and to promote small enterprises and also to help them become self-supporting, a number of protective and promotional measures have been undertaken by the Central Government and State Government. They are as below:

- Industrial extension services.
- Institutional support in respect of credit facilities.
- Provision of developed sites for construction of sheds.
- Provision of training facilities.
- Supply of machinery on hire-purchase terms.
- Assistance for domestic marketing as well as exports.
- Special incentive for setting up enterprise in backward areas etc.
- Technical consultancy and financial assistance for technological up-gradation.

While most of the institution support and some incentives are provided by Central Government, others are offered by the State Government to
promote and to attract investment with a view to enhance industrial production and to generate employment in the states.

4.11 MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION (MIDC)

There are total 6 industrial sectors which are operational and proposed out of which Chincholi industrial sector Mohol taluka, Solapur industrial sector North Solapur, Temburni and Kurudwadi from Madha taluka and Mangalwedha industrial sector are functional. In all these 3 sectors, industrial units are working of the above 3 Temburni taluka Madha has been declared development centre by Maharashtra Government.

Among the proposed industrial sectors Barshi, Karmala, Kurudwadi, Malshiras, Boramani and Pandharupur are included. Out of this the land in Karmala has been taken in control by MIDC for progress related work and the remaining land of industrial sectors are on the path of progress.

4.12 INDUSTRIAL POLICY OF MAHARASHTRA GOVERNMENT 2001

The Maharashtra Small Scale Industries Development Corporation Ltd., Popularly known as MSSIDC, was established on October 19, 1962 with a view to give a new orientation and strength to the development of Small Scale Industries in the State of Maharashtra. The main objective of MSSIDC is to aid, counsel, assist, finance, protect and promote the interest of small industries. The corporation renders assistance to approximately 30000 SSI units in the state. MSSIDC plays a vital role in the development and growth of traditional handicrafts of Maharashtra by diversified needs of rural artisans and marketing their products in India as well as abroad. Over the years, MSSIDC has become India’s leading SSI Development Corporation due to the expanding and diversified needs of SSIs, village and cottage industries, providing support service like training and Entrepreneurship Development Programme.

Maharashtra has been the leader on industrial front of India. It has always been the endeavor to develop sustaining industrial growth, facilitate
speedier flow of investment by creating conductive industrial climate in the state. This state has developed a solid base of industrial infrastructure, strong Human Resource and sustaining and divers industrial base. This was possible because Maharashtra pioneered several policy initiatives, since inception in various fields.

The Industrial Policy of Maharashtra 1998 mainly aimed at simplification of procedures and rationalization of rules and the Industry, Trade and Commerce Policy 1995 aimed at empowering people at all levels with special focus on infrastructure development with private sector participation. A comprehensive Information Technology Policy was announced in 1998, keeping in view the importance of the financial sector, media and entertainment, and health, education and research. More than 215 industrial estates including 9 five star industrial estates and 63 growth centres developed by the Maharashtra Industrial Development Corporation (MIDC) the country’s largest industrial infrastructure provider.

The State has entered into the phase of second generation economic reforms, with emphasis on structural changes in addition to fiscal incentives for the promotion of industry and balanced regional growth. This has coincided with increasing international competition and rapid technological changes which pose new challenges for industry. The Industrial Policy 2001 set out below has been formulated in this context, with view of sustained growth and employment and an expansion in livelihood opportunities. The components of the new package scheme of incentive contained in this policy were operative from 1st April, 2001 upto 31st March 2006.

The Maharashtra Government provided assistance to entrepreneurs and SSIs through various subsidies and schemes operated by State Government department or corporations. The Three Schemes operated by the State Government Directorate of Industries are as below:

4.12.1 Prime Minister’s Employment Generation Programme (PMEGP)

Under this scheme manufacturing project with an investment of uptoRs. 25 lakh and service project with an investment of upto Rs. 10 lakh are provided financial assistance as loans from public sector banks, Regional rural Banks or IDBI. Upto 90 percent of project cost is provided as loan for
most entrepreneurs and the entrepreneurs who belong to SC/ST/OBC/minority/woman/ex-servicemen/physically handicapped are provided loan of upto 95% of project cost. Project cost will include capital asset cost + working capital. Any individual above the age of 18 years is eligible for this scheme, provided they have to pass atleast VIII standard.

4.12.2 Seed Money Scheme (SMS)

Equity or seed money is provided in the form of soft loans to encourage unemployed persons to become entrepreneur and meet part of the margin money requirement for availing bank loan. To be eligible for this scheme, an un-employed entrepreneur must have plan for establishing an industry or service business with a project cost uptoRs. 25 lakh in the State of Maharashtra. The seed money assistance of 15 percent of project cost for all entrepreneurs and 20 percent of project cost for entrepreneurs who are SC/ST/OBC/NT/VT/Handicapped is provided. The maximum amount of seed money provided is Rs. 3.75 lakh and the rate of interest on the seed money extent is 6 percent per annum with a holiday period of 3 years. To be eligible for availing seed capital under this scheme, the entrepreneur must be unemployed, domiciled in the State of Maharashtra for the last 15 years, between the age group of 18 to 50 years and passed at least class VII.

4.12.3 District Industries Centre Loan Scheme

DIC loan scheme provides financial assistance in form of margin/seed money for the promotion of tiny industries in semi-urban and rural areas with a view to generate employment opportunities including self employment. Under this scheme, margin money is provided for those units where investment in plant and machinery does not exceed Rs. 2 lakh. All towns and rural areas having population of less than 1 lakh are covered under this scheme. Assistance of upto 20 percent of the total investment or a maximum of Rs. 40,000 is provided to entrepreneurs belonging to the general category. In case of entrepreneur belonging to the general category. In case of entrepreneurs belonging to scheduled caste and scheduled tribe, assistance up to 30 percent of total fixed capital investment or a maximum of Rs. 60,000 is provided. The assistance is provided in the form of loan must be repaid back to the State Government with a 4 percent interest rate within 7 years.
4.12.4 Strategies

New industries establishing C, D and D+ areas an No-Industry Districts was exempted from payments of Electricity duty for a period of 15 years. In other parts of the state 100 percent.

1. Export Oriented Units (EOUs), Information Technology (IT) and Bio-technology (BT) units, and industries setting up in Special Economic Zones (SEZs) and Electronic Hardware Technology Parks will be exempted from payment of Electricity Duty for a period of 10 years.

2. Waiver of Stamp Duty and Registration Fees:

At present IT units are exempted from stamp Duty and Registraionfees upto 31st March 2006. All new industrial units including IT and BT units, are exempted from payment of Stamp Duty and Registation fees upto 31 March 2006 in C, D and D+ areas and No-Industry District. However, 50 percent of the Stamp Duty and Registraion fees was waived for IT units set up in other IT parks in talukas/areas in the State in ‘A’ and ‘B’ categories.

3. Octroi Refund

The scheme of refund of Octroi provided under the Package Scheme of incentives, 1993 was included in the new scheme upto 31 March 2006 on the same pattern. Where account based levy is charged instead of octroi, such charges will also be eligible for refund in the case of Octroi.

4. Incentive to SSI units

The subside was disbursed in equal annual installment over 5 years. Existing SSI and Small-Scale IT and BT units were eligible for 75 percent of the subsidy admissible for expansion, diversification or modernization involving additional investment to the extent of 25 percent or more.

5. Interest subsidy to new textile, hosiery and knitwear SSI units

These industries setting up in different parts of the State were eligible for interest subsidy on the actually interest paid to the financial institution or Bank on the term loan for creating fixed capital assets, equal to the interest payable at 5 percent per annum.
6. Development of Non-Conventional energy

In order to give an impetus to the development of non-conventional energy, such projects were eligible for benefits under the new package scheme of incentives.

7. Classification of talukas/areas

The present classification of different talukas in the state in A, B, C, D and D+ categories on the basis of their level of development is contained in the Package Scheme of incentives 1993. This classification was separately considered by a Committee under the Chairmanship of the Minister (Industries) Norms for the mid-term re-classification of talukas depending on changes in their development status, and No Industry District was separately categorized.

8. Financing of Capital incentives and Re-funds under the Package Scheme

A budgetary provision of at least Rs. 200 Crores was made each year from 2001-2002 onwards to meet past commitments and the incentive under the new scheme. Additional resources were raised through bonds linked with Sales Tax repayments under past schemes.

9. Exemption from Sales Tax for Khadi and Village Industries

24 Khadi and Village industries are exempted from Sales tax upto certain limit on annual turnover, considering the potential of this sector for employment generation and rural industrialization, sales tax was waived to the 72 remaining industries for their turnover upto Rs. 20 lakh per annum. This concession was available to khadi and village industry units registered with and assisted by the Maharashtra State khadi and Village Industries Board.

10. Sick SSI units

Issues relating to the rehabilitation of sick SSI units are reviewed in the State Level Inter Institutional Committee and Sub Committee of the Reserve Bank of India, and in the District Level Committee which have been set up as an adjunct of the ZillaUdyogMitras. Sick SSI units taken up for reschedulementof arrears of Government and electricity dues, to be repaid in 36 monthly installments at 13 percent interest. The interest rate on the
rescheduled arrears was reduced to 10 percent in all except ‘A’ area of the state. The repayment of such arrears was allowed in 60 monthly installments

11. Specialized Industrial Areas

In the last few years, specialized industrial infrastructure has been developed by State agencies for various sectors, including Information Technology, leather, chemicals etc. More recently, the establishment of textiles and food procession zone has been taken up. Taking into account the potential and requirements of agro-industry in different parts of the State, MIDC will set up new complexes for this sector, including ‘Grape Wine Parks’ at Nashik and Sangli, ‘Orange City Park’ for orange processing, Floriculute Complexes and Biotechnology parks at suitable locations.

12. Promotion of Education and Research Institutions

Education and research institutions of international or national standards including world class business education institution would be provided land in industrial areas or estates at nominal or concessional rates.

13. Captive Power Generation

Captive power generation is permitted for industries throughout the state in respect of IT units, and in the case of co-generation, hydroelectric power and non-conventional energy. Other types of captive power generation are at present permitted to new industries in D+ and tribal areas. New as well as existing industries in D and D+ areas and No Industry District will also be permitted to set up captive power plants. Public bodies ‘Independent Power Producers’ for the dedicated provision of power to IT and BT Park and SEZs promoted by them.

14. Labour Loans and Procedures

The State Government has initiated a review of labour laws and procedures, including Central statues to enable industry and labour to meet the new economic challenges. The review is intended to remove disincentives to additional employment generation, facilitate restructuring and technological upgradation in the context of increasing global competition provide an impetus to industry dispersal, and promote production at efficient levels. It is also intended to safeguard labour interest and provide workers with greater financial security during re-structuring.
4.13 MAHARASHTRA INDUSTRIAL POLICY 2013-2018

The state has recently declared the new industrial policy 2013 to ensure sustained industrial climate in the state and to provide total competitive edge to the industries. The policy granted fiscal and non-fiscal incentives to the industrial units with a view to helping the unit to achieve higher and sustainable economic growth with emphasis on balanced regional development and employment generation through Private and Public investment in industrial sector. Therefore, it is necessary to amend the Package Scheme of Incentive (PSI) 2007, in the light of the industrial policy 2013 and introduced as new ‘Package Scheme of Incentive 2013’ which will be followed to the 31st March 2018.

4.13.1 Classification of Area for PSI 2013

For the purpose of the PSI-2013 taluka wise classification of different areas of the State as Group A, B, C D and D+ etc. on the basis of their level of industrial development. They are as follows-

i. Group A – Denotes industrially developed areas.

ii. Group B – Denotes where Areas of Industrial Development has taken place, but are less developed then Group A.

iii. Group C – Denotes Areas, which are less developed than Group B.

iv. Group D – Denotes the lesser-developed areas, not covered under Group A /Group B/ Group C

v. Group D+ - Denotes the least developed areas, not covered under Group A/Group B/Group C/ Group D


vii. Naxalism Affect Area – Denotes Area affected by naxalism.

4.13.2 Definition of MSMEs, Large and Mega projects

i. Micro, Small and Medium Manufacturing Enterprises (MSMEs) shall be constructed as per their definition mentioned in MSMED Act 2006.

ii. Large scale units/industries having investment more than the medium manufacturing enterprises as defined under the MSMED Act 2006, but less than the Mega Project.
iii. Mega Projects/ Ultra Projects – Industrial units satisfying the minimum threshold limits of Fixed Capital Investment or Direct Employment.

4.13.3 Financial Incentives for MSMEs under PSI 2013

i. New MSME/ LSI units will eligible for a basket of incentives which will be linked to the fixed capital investment.

ii. Expansion/ Diversification Units – Existing/ New Micro, Small and Medium Manufacturing Enterprises LSI units, qualifying as Expansion/Diversification units, will also be eligible to get the incentive for Expansion/ Diversification, equivalent to 75 percent of the incentive admissible for New units. The eligibility period for availing of the incentive will however be reduced by one year in case of Expansion/Diversification.

iii. Industrial Promotion Subsidy (IPS) for MSMES

The eligible New/Expansion Micro, Small and Medium Manufacturing Enterprises, which are set up in different parts of the State, will be eligible for Industrial Promotion Subsidy.

iv. Interest Subsidy – All eligible new Micro, Small and Medium manufacturing Enterprise in areas other than ‘A’ will be eligible for interest subsidy. This subsidy will be payable only on the interest actually paid to Banks and Public Financial Institutions on the amount of term loans taken for acquisition of Fixed Assets. The amount of interest subsidy will be calculated at effective rate of interest, after deducting the interest subsidy receivable from any institution or under any Government Scheme and the compound interest or 5 percent per annum whichever is less.

v. Exemption from Electricity Duty

All eligible new units in Group C, D and D+ areas and No-Industry District and Naxalism affecter area will be exempted from payment of Electricity Duty during eligible period not exceeding 15 years. In Group A and B area, 100 percent Export Oriented Units (EOUs), Information Technology Manufacturing Units and Bio-Technology
Manufacturing Units will also be exempted from payment of Electricity Duty for a period of 7 years.

vi. Waiver of Stamp Duty
New Units as well as units undertaking Expansion/Diversification including Mega and Ultra Mega Projects will be exempted from payment of Stamp Duty during the investment period in Group C, D, D+ talukas, No Industry Districts and Naxalism affected areas.

vii. Power Tariff Subsidy
Eligible new MSMEs will be eligible for Power Tariff Subsidy. The Subsidy will be to the tune of Rs. 1/- per unit for the units located in Vidarbha, Marathwada, North Maharashtra and the District of Raigad, Ratnagiri and Sindhudurg in Konkan region and Rs. 0.50 per unit for the units in other areas of the state for a period of 3 years from the date of Commencement of Commercial production for the energy consumed and paid. The units in Group ‘A’ areas will not be eligible for this incentive.

viii. Incentive for strengthening MSMEs and LSIS
The incentives are given to MSMEs and LSIs as to promote Quality Competitiveness, Research And Development, Technology Upgradation, Water And Energy Conservation, Cleaner Production Measures and Credit Rating.

All the above institutes are engaged in development of training modules undertaking research and providing consultancy services for entrepreneurship development in the SSI sector.

4.14 DISTRICT INDUSTRIES CENTRE (DIC) SOLAPUR

4.14.1 Objectives of DICs are as follows:
i. Accelerate the overall efforts for industrialization of the district.
ii. Rural industrialization and development of rural industries and handicrafts.
iii. Attainment of economic equality in various regions of the district.
iv. Providing the benefit of the government schemes to the new entrepreneurs.
v. Centralization of procedures required to start a new industrial unit and minimization of the efforts and time required to obtain various permissions, licenses, registrations, subsidies etc.

4.14.2 Functions of District Industries Centre (DIC)

i. Acts as the focal point of the industrialization of the district.

ii. Prepares the industrial profile of the district with respect to:

iii. Statistics and information about existing industrial units in the district in the large, medium, small as well as co-operative sectors.

iv. Opportunity guidance to entrepreneurs.

v. Compilation of information about local sources of raw materials and their availability.

vi. Manpower assessment with respect to skilled, semi-skilled workers.

vii. Assessment of availability of infrastructure facilities like quality testing, research and development, transport, prototype development, warehouse etc.

viii. Organizes entrepreneurship development training programs.

ix. Provides information about various government schemes, subsidies, grants and assistance available from the other corporations etc up for promotion of industries.

tax. Gives SSI registration.

xi. Prepares techno-economic feasibility report.

xii. Advices the entrepreneurs on investments.

xiii. Acts as a link between the entrepreneurs and the lead bank of the district.

xiv. Implements government sponsored schemes for educated unemployed people like PMRY scheme, JawaharRojgarYojana etc.

xv. Helps entrepreneurs in obtaining licenses from the Electricity Board, Water Supply Board and No Objection Certificates etc.

xvi. Assist the entrepreneur to procure imported machinery and raw materials.

xvii. Organizes marketing outlets in liaison with other government agencies.

4.14.3 Schemes of District Industrial Centre (DIC) Solapur

1. Work of District Industrial Centre

2. Prime Minister’s Daily Wages regularization scheme.
4. District Industrial Centre loan scheme
5. Entrepreneurship development training schemes.
8. Large Industries, Mega Project, B-tel unit.
9. District Award Schemes.
10. 5% to 50% Technical Package Schemes.
11. Group CO-operation Schemes (Centre & State)

Rate of Interest as per RBI-District Work Centre/KhadiGramudhoyaga on obtaining NOC or primary investigation with respected District Chief Officer in his capacity as President of working committee and praise peer bank approved.

Those eligible for the loan on negatives basis and causing hazard to environment.

a. Non-veg growth/deal and sale.
b. Bidi, Cigarette, pan, tobbacom and narcotics product on and sale sale of
c. Restaurants and Dhabas where use of tobacco and alcohol is as raw material.
d. Orchards, gardens, animal husbandry like poultry fish culture, dairy, goat rearing etc.
e. Khadi and polyester.
f. Handloom and wool occupation.
g. Projects hazardous to environment/recycling with plastic, vehicle occupation, business and occupation etc.

These cannot avail facilities in any form for occupation or business.

On behalf of the District Industrial Committee for the year 2014-15 the approved cases are 400margin money (529.33 lakh) related finance organisation.

I. Self Employment Schemes for Educated Unemployment

On behalf of District Occupation Centre small investment schemes for educated unemployed is a part of the Central Government Prime Minister’s Daily Wage
Scheme which functions for the year 2014-15. Under the scheme 23924 personal achievers have flourished because of the district work centre.

II. Capital Investment Scheme

The following scheme is in existence since 1993 and since then to 2014. 1292 Receipents have been distributed 619.52 lakh Rs under the capital investment schemes. The qualification requirement for this scheme is 7the standard pass boy/girl is the beneficiary of this scheme. The maximum loan limit is 25 lakh of which 15% of the loan has to be repaid with 6% interest.

III. District Industrial Centre Loan Scheme

This scheme of District Industrial Centre came into existence since 1993. 2 lakh Rs for technical investment centre available. This loan is provided for the project 20% i.eRs. 40000 or 30% i.eRs. 60000 for special reason by District Industrial Centre at 4% interest is under this scheme till the end of 2014 almost 523 small scale investors have availed 78.61 as margin money.

IV. Technical Training Programme (15 day – 2 months non-residential)

1) Fashion designing and embroidery/weaving
2) Photography and video shooting
3) Bakery
4) Tye and dye, brick painting
5) Repairing 2 wheeler vehicles
6) Enclosed sheep/goat rearing
7) Stitching
8) Beauty parlour
9) DTP and screen paininting
10) Computer joining repairnqn and maintainence
11) Print
12) Ayurvedic, jungle related cropping and processing
13) Nursery management
14) Home equipment repair and maintainence
15) Multi purpose mechanics
16) Catering and other jobs
17) Other occupation/service occur decided by the working committee
During technical training the outsider student is based to get Rs. 1000 as stipend per month means 15 days Rs. 500 and for 2 months training institute is paid Rs. 3000 every month for imparting training to trainers.

For the training 2007-08 under this training scheme total 1012.5 trainees have been trained and Rs. 435.80 lakhs have been sanctioned.

V. **Integrated encouragement schemes.**

This scheme came into existence in October 1993. On behalf of District Industries Centre provided Integrated encouragement scheme in 1993, 2001, 2007, 2013 which were covered under this scheme.

VI. **Large and Medium Industries**

The total number of industrial units in the district which got permission from the Central Government is 395, of which 76 have already started manufacturing. Total Capital invested in this is Rs. 1919 crores also given a boost to create 20927 employment the industries comprises of 214 spinning mill which are put 290 sugar factories. Remaining 319 proposal are utilized by foundry, engineering, poultry, medicines, animal feed Rubba, manure and other units.

VII. **District Award Scheme**

At district level, small scale industries which have done incredible work in this sector such industrial units have been awarded by the coordinator. This scheme of awarding a prize started in 1986. The Ist prize recipient is felicitated with Rs. 15000 cash, silver shield shawl and coconut and IInd prize is Rs. 10000 cash silver shield momento, shawl and coconut.

Retired District officer in capacity as advisor in some district committee or sub committee takes a call to select those industrial units at district level in this award. But there are certain criteria which have to be abided by these units and the guidelines are the manufacturers background, past 3 years progress report of the units, specially profits managers policies, employees policies, managerial policies/skills, capital investments status in market, export capacity, grading policies are all considered for this award.

The prizes have been awarded till 2013 and application have been invited for 2014 which will be decided by the subcommittee in the meeting and the prizes will be given away in January 2015.
VIII. Package Scheme for technical business

In order to provide boost to technical industries, the cooperative encouragement schemes began. Under this scheme new projects got 35% grant in one go with discount of 5% interest, such is the structure of this scheme. And in the year 2004 under this scheme cloth related industries got 50% loan exemption granted and 5% interest discount or interest waived.

IX. Maharashtra State Integrated Cooperative Development Programme Scheme (MSICDP)

This scheme aims at to develop micro and small programme enhancing productivity and competitiveness creating competitive zones to enhance productivity.

Eligibility

i. D, D+ District without industries as well as industries in rural areas or districts.

ii. As per the Indian Company Act 1956 section 23 (SPV) special permission vehicle must comprise at least 10 members and no person is allowed to own an investment of more than 10%.

iii. The investor should not have availed any scheme before this, either from the State or Centre.

iv. Integrated facility can be availed only once.

In Solapur district the dry grape cluster which will be shortly operational at Kasegaon taluka Pandharpur. The finance is given by State Government. Even the Solapur terri-towel cluster proposal has been sent to the Central Government for final approval.

X. Co-operative Industrial

In the district there are 9 cooperative sector which are approved by the Government out of which 8 industrial areas have established. Industrial units at Vairag, taluka Barshi industrial area have started land distribution for this purpose.

4.15 Summing Up

To promote the development of the industrial sector, especially Micro, Small and Medium Enterprises, the Central and State Government has introduced various
schemes that provide financial assistance and subsidy to the eligible entrepreneurs. Some of these subsidy schemes are specifically for certain industrial sectors like micro and small scale whereas some are available for a wide range of industries like medium, large and mega. The public sector banks are the major source of financial assistance to the industrial sector. They extend credit support to the firm in the form of loans, advances, discounting, bills, project financing, term loans, export finance etc. In short, for the endeavoring entrepreneur who dreams of setting up enterprise, the bank is providing number of financial schemes, through District Industrial Centres in every district.

REFERENCES:

CHAPTER – V
BUSINESS PERFORMANCE OF SMALL SCALE ENTREPRENEURS IN SOLAPUR DISTRICT

5.1. INTRODUCTION
Solapur District has a history of large industrial units even before independence of India. Textile units were present in the district before the period of British empire as stated in gazetteer of the district (1971). The district has better development of industries compared to Beed and Osmanabad district, the neighboring district of Solapur. Solapur district does not have mineral resources or forest resource. However, textile units and agro based industries have been developed in the district.

Maharashtra Industrial Development Corporation was established in 1962 in the state. At present there are five MIDC areas in Solapur district namely North Solapur, Tembhurni, Kurdawadi, Mangalwedha, Mohol. In addition, there are 9 cooperative industrial estates at Solapur, Barshi, Akluj, Mangalwedha, Karmala, Mohol, Sangola and Akkalkot. But there is no separate industrial estate areas in Pandharpur and South Solapur. Apart from these units, there are 20 Sugar factories, 410 oil mills and processing units of agro based industries.

The number of oil mills, textile units and chemical units are increasing in the district. Mohol, Malshiras, Barshi, Karmala and Sangola talukas show rapid growth in the number of these industrial units. The highest rate of growth of industries is in North Solapur and Mohol talukas due to its proximity to Solapur city. Electronic and engineering units are in crores easing in all talukas.

Entrepreneurs Reaction
Total 30 Entrepreneurs were selected i.e. 10 percent from each taluka by giving them questionnaire to study their reactions.

5.2. Distribution of Respondents by Name of Talukas
The chapter V is associated with the field survey and case study of the Entrepreneurs in Solapur District the random sample was selected for the field survey. Thirty questionnaire were filled by asking various questions from different
entrepreneurs and 200 questionnaires were filled by asking various questions to the consumers. All the eleven talukas were taken into consideration for the purpose. North Solapur taluka consist of Solapur City. Hence the maximum interviews were taken from the various entrepreneurs. This is also because of highest workers or entrepreneurs are found in North Solapur taluka. Similarly the percentage of the entrepreneurs was also at highest par for North Solapur taluka it was followed by Mohol taluka due to close proximity, the commuters prefer to serve in different entrepreneurship.

Table No. 5.1
Distribution of Respondents by Name of Talukas

<table>
<thead>
<tr>
<th>Name of Talukas</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akkalkot</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Barshi</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Mohol</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>Malshiras</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Mangalwedha</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Madha</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Karmala</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Sangola</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Pandharpur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>South Solapur</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>North Solapur</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: DIC Register
The table no. 5.1 shows taluka wise distribution of the respondents. At the very outset, it will be more appropriate and convenient to compare the data and information related with the respondents are drawn on the same page to evaluate concern information.

5.3. Name of Selected Enterprises

The Table No. 5.2 depicts the name of selected enterprises in Solapur district. Which have been registered / re-registered in District Industrial Centers (DIC) Solapur.
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Enterprises</th>
<th>Product Name</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gurukrupa Enterprises</td>
<td>(Leather Product) Akkalkot</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>2</td>
<td>Atual Agro Industries</td>
<td>(Tamrind seed Powder) Barshi</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>3</td>
<td>Chaitanya Ropes Pvt. Ltd.</td>
<td>(PP Rope/ HDPE Ropes) Barshi</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Kothari Cables</td>
<td>(PVC tubing Pipes &amp; Cables)</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>Pandurang Paper Industries</td>
<td>(Craft Paper Rolls) Mohol</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Cherry offset Printing &amp; Packing Pvt. Ltd.</td>
<td>(Printing books &amp; Packaging) Mohol</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>7</td>
<td>SuttrawayEngg. Works Pvt. Ltd.</td>
<td>(Sewing Machine) Mohol</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>8</td>
<td>SAC Packaging</td>
<td>(Builder Farsan &amp; Mouth Freshner) Mohol</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>9</td>
<td>Patel Plastics Industries</td>
<td>(Packing Plastic Box Strapping Patti &amp; Sutali) Mohol</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>10</td>
<td>SaiShrinivas metal Industries</td>
<td>(Aluminium Utensils) Malshiras</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>11</td>
<td>Tirupati Milk &amp; food Processors</td>
<td>(Yummy Ice-cream) Mangalwedha</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>12</td>
<td>Creenta Chemical</td>
<td>(Fertiliser micronutrients) Madha</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>13</td>
<td>Shree Packing</td>
<td>(Cartoon Boxes) Madha</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>14</td>
<td>Fitwel Hose Clip Products</td>
<td>(Hose Clip) Karmala</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>15</td>
<td>Shriram Packaging</td>
<td>(Corrugated Boxes) Sangola</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>16</td>
<td>Chauhan Industries</td>
<td>(Jeevan Packaged Drinking Water) Pandharapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Company Name</td>
<td>Product Details</td>
<td>Units</td>
<td>Rating</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>17</td>
<td>Thirumala Precicast Pvt. Ltd.</td>
<td>(Investment Castings) South Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>18</td>
<td>Shri Spinners</td>
<td>(Weaving Thread) South Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>19</td>
<td>J. P. Laboratory</td>
<td>(Sugar Process Chemical) South Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>20</td>
<td>B.B. Knitting Works</td>
<td>(Hosiery Products) North Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>21</td>
<td>Subhashchandra Engineering</td>
<td>(Atta Chakki &amp; other items) North Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>22</td>
<td>Span Electromack</td>
<td>(Moduler Kitchen equipment &amp; panel Board) North Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>23</td>
<td>Shri Gruha Sajawat Industries</td>
<td>(Furniture &amp; Fabrication) North Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>24</td>
<td>Gangji Plastic Industries</td>
<td>(All Kinds of Industrial &amp; consumable Plastic Products)</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>25</td>
<td>Baba Ice Factory</td>
<td>(Ice) North Solapur</td>
<td>1</td>
<td>3.3</td>
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<tr>
<td>26</td>
<td>Prabhakar Metal Industries</td>
<td>(Aluminium Utensils) North Solapur</td>
<td>1</td>
<td>3.3</td>
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<tr>
<td>27</td>
<td>Solar Electronics</td>
<td>(Solar Products) North Solapur</td>
<td>1</td>
<td>3.3</td>
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<tr>
<td>28</td>
<td>K. Nagdev Textile</td>
<td>(Towels &amp; Napkins) North Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>29</td>
<td>Ganesh Oil Mill</td>
<td>(Ground nut oil) North Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>30</td>
<td>Avin-Y Enterprises</td>
<td>(FRP Molded Doors) North Solapur</td>
<td>1</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Source: Field Survey

The Thirty enterprises producing different kind of products were selected in the survey. There are variety of products, which are consumable and ancillary in the small
scale business i.e. edible products to engineering. The most up-coming industry is engineering and next to it is solar electronics and polymer products. Agro based industries like Tamarind seed Power mills are developed in Mohol taluka. Whereas Ground- nut extraction mills are developed in North Solapur respectively most of the products are sold in the Local market, Regional and National level markets. Even few products are sold in other countries i.e.Tamarind powder, Towel and Napkins casting of piston etc.¹

It can be concluded that Solapur district is developing due to the increasing numbers of small scale industries. Still there is lot of scope for the development of small and medium industries in Solapur District.

5.4. Age Group wise distribution of Entrepreneurs

Table No. 5.3 describes Age group wise distribution of entrepreneur. It is found that, the entrepreneurs between the age group 36 to 45 years are 40 percent, 46 to 55 years are 33.3 percentage, above 55 years are 20 percent and the lowest is, in the age group of 26 to 35 years which is only 6.7 percent.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Age Group</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26 to 35 year</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>2</td>
<td>36 to 45 year</td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td>3</td>
<td>46 to 55 years</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>4</td>
<td>55 and above</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
It can be stated that before starting or setting up the business majority entrepreneurs gain experience in other industries by working for few years. So the percentage is less in the age group between 26 to 35 years and more in above the age group 36 years.

5.5. Educational Level of Entrepreneurs

The below Table no 5.4 indicates the Educational level of entrepreneurs are Graduate i.e. 43.3 percent are graduate, 16.7 percent are having technical degree, 13.3 percent are qualified up to 12th std, and only 6.7 percent are in the other category i.e. one entrepreneur is illiterate and another has completed 10th std. It implies that, professional skills and knowledge regarding the business is more important than qualification considering exceptionals. But still education is good indication for human resource development. It is the key to open the door in life.
Table No. 5.4
Educational Level of Entrepreneurs

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>upto 12th Std</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>2</td>
<td>Graduate</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td>3</td>
<td>Post Graduate</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>4</td>
<td>Technical</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>5</td>
<td>Other</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Above graph and table gives a clear picture of the entrepreneurs with education. Hence it can be concluded that a majority entrepreneurs are graduate and post graduate. The technical knowledge entrepreneurs were in the engineering and electronic business. The less qualified entrepreneurs are engaged in edible products like Namkeen, oil mills, Ice, Ice-croreeams etc.
5.6. Gender wise distribution of Entrepreneurs

Table 5.5 shows the difference between the entrepreneurs with gender. It is noted that there are 93.3 percent male entrepreneurs and only 6.7 percent Female entrepreneurs in manufacturing business in the district because most of the females are involved in service sectors rather than manufacturing sector.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>28</td>
<td>93.3</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Even this table is shown with pie graph 5.4 which gives the clear picture of gender wise classification. Though Government is providing loan at low rate of interest for women entrepreneurs, still the percentage is less because there is more risk and uncertainty in manufacturing business, as they feel that a false sense of security
and fear of failure are the main stumbling blocks of success\(^2\). Even the responsibility towards family, society and work as a woman she has to pertain. It has been observed that some successful women entrepreneurs are supported by their spouse and family members morally and financially so they are successfully entering in manufacturing business.

It shows that still there is a wide scope for women to enter in manufacturing business in small scale industries.

5.7. Entrepreneurs Experience in Business

The Experience in Business is shown in the table 5.6. The majority entrepreneurs have experience of more than 5 years (93.3) and very few have the experience less than 5 years (6.7) due to the newly setup business. But every entrepreneurs has taken basic experience by working with their family members, friend or relative. Hence they have developed fascination to setup the business.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Experience in Business</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3 to 5 years</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>2</td>
<td>More than 5 years</td>
<td>28</td>
<td>93.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.5
5.8. Classification of Respondents Encouraged for Business

Classification of Respondents encouraged for business is explained in Table 5.7 with bar diagram, majority entrepreneurs have entered in manufacturing business by self-interest and qualification. It is seen from the above table 53.3 percent entrepreneurs entered with self interest and qualification other have come inheritably and through relatives i.e. 20 percent and 16.7 percent respectively. Very few i.e. 3.3 percent entered by friends encouragement. Generally it is found that entrepreneurs in oil processing, textile have come inheritance, Engineering and polymer business flourished by self-interest and qualification. Edible products and cement products are encouraged by friends.

Table No. 5.7
Classification of Respondents Encouraged for Business

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Encouraged for Business</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inherited</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>2</td>
<td>Friend</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>3</td>
<td>Relative</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>4</td>
<td>Self interest and qualification</td>
<td>16</td>
<td>53.3</td>
</tr>
<tr>
<td>5</td>
<td>Inherited, Self interest and qualification</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Friend, Self interest and qualification</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey
It can be concluded that even family environment is more important in the Indian social system. In India some castes have their predominance in business. Hence in Solapur district the textile industries are run by TelguSali and oil mills by LingayatTeli community.

5.9. Distribution of Entrepreneurs by Annual Income

Distribution of Entrepreneurs by annual income is described in table no. 5.8. It implies that the standard of living and development of the particular area depends upon the income of the people. So it is necessary to study the annual income of the people in the study area. It is found that 23.3 percent entrepreneurs receive the annual income upto 5 lakh, 16.7 percent gets more than 5 lakh, 20 percent entrepreneurs gets the income upto 2 lakh the percentage is same in the range between 3 lakh and 4 lakh i.e. 13.3 only 10 percent entrepreneurs gets upto 1 lakh. But one entrepreneur was not able to tell the exact income, so it is counted as missing value, it was newly setup business.
Table No. 5.8  
Distribution of Entrepreneurs by Annual Income

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Annual Income</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>upto 1 lakh</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>2</td>
<td>upto 2 lakh</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>3</td>
<td>upto 3 lakh</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>4</td>
<td>upto 4 lakh</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>5</td>
<td>upto 5 lakh</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>6</td>
<td>more than 5 lakh</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>29</td>
<td>96.7</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.7

Even there is difference in their annual incomes still all the entrepreneurs satisfied with the income which they receive. It means the income differs with the difference in production.
5.10. Distribution of Technique of Production

The techniques of production is of great imp in the production process, which is explained in Table No 5.9 and with a bar graph. Almost 90 percent entrepreneurs responded that they use both the technique i.e. labour and capital intensive in the production, where as 3.3 percent each responded that they are using labour intensive, capital intensive and knowledge based technology for the production.

**Table No. 5.9**

**Distribution of Technique of Production**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Technique of Production</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hand/Labour Intensive</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>2</td>
<td>Machine/Capital intensive</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>3</td>
<td>Both labour and capital</td>
<td>27</td>
<td>90.0</td>
</tr>
<tr>
<td>4</td>
<td>Knowledge based Design in Green-Technology</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey
It is seen that paper industries are based on capital intensive technique, sewing machine industry uses labour intensive techniques and solar equipment industries are based on knowledge, which is also known as Green-Technology.

It can be concluded that the production is done not only with labour and capital intensive technique but also with knowledge based technology.

5.11. Classification of Entrepreneurs by Project Investment

Table 5.10 with depict the classification of Entrepreneurs by investment in project. It is found that highest investment i.e. 26.7 percent entrepreneurs has invested between 25 to 50 lakh in the project 23.3 percent invested upto 25 lakh and the same percent is found in the investment between 75 lakh to 1 crore. Very few 13.3 percent invested between 50 to 75 lakh and next to it, 10 percent entrepreneurs have invested between 1 crore to 3 crore. Since, one entrepreneurs has rejected to answer this question so it is counted in missing value.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Project Investment</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>upto 25 lakh</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>2</td>
<td>25 to 50 lakh</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>3</td>
<td>50 to 75 lakh</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>4</td>
<td>75 lakh to 1 Crore</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>5</td>
<td>1 Crore to 3 Crore</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>29</td>
<td>96.7</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
It can be concluded that the total investment in small scale industries were made between 25 lakh to 1 crore. Rupees respectively.

5.12. Distribution of Entrepreneur by Annual Turnover

Distribution of entrepreneurs by Annual turnover has shown in Table no 5.11 with has done a sale between 26 lakh to 1 crore. Rupees some have made upto 25 lakh rupees the percent is 20.0. The turnover between 3 to 5 crore. Rupees is 16.7 percent, 10 percent entrepreneurs have made 8 to 15 crore rupees turnover, 3.3 percent entrepreneurs made it between 6 to 7 crore rupees. There is always fluctuation in some kind of business, so 16.7 percent entrepreneurs could not answer this question.
Table No. 5.11
Distribution of Entrepreneur by Annual Turnover

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Annual Turnover</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>upto 25 lakh</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>2</td>
<td>26 to 1 Crore</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>3</td>
<td>1 to 2 Crore</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>3 to 5 Crore</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>5</td>
<td>6 to 7 crore</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>8 to 15 Crore</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>83.3</td>
<td></td>
</tr>
<tr>
<td>Missing Value</td>
<td>5</td>
<td>16.7</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.10

It can be stated that there is no similarity in the turnover between the different products entrepreneurs.
5.13. New Improved Manufacturing Process

Table no. 5.12 explains the improved manufacturing process. It is found that 76.7 percent entrepreneurs were using newly improved manufacturing process and only 23.3 percent are not using new techniques in production.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>New Improved Manufacturing Process</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>23</td>
<td>76.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Improved machineries reduces the cost of production, which are fully automatic and less labour intensive.
5.14. Distribution of Product Line

Distribution of product line has been explained in the Table no 5.13 with a round graph. It is observed that 66.7 percent entrepreneurs are producing industrial products and only 10 percent entrepreneurs are producing consumable as well as Industrial products.

Table No. 5.13
Distribution of Product Line

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Product Line</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Industrial Product</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>2</td>
<td>Consumer Product</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td>3</td>
<td>Industrial Product, Consumer Product</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.12

It can be concluded that there are consumable as well as ancillary industries more in Small scale business.
5.15. Distribution of Entrepreneur by Nature of Product

Nature of production is described in Table No. 5.14 with a bar graph. It is seen that 63.3 percent entrepreneurs are manufacturing improved products i.e. with newness in the previous products. As per the demand from market. 16.7 percent are manufacturing innovative products. Which is something new. And 20 percent are in initiative product line i.e. which helps as a supporting product for the manufacturing of another product.

Table No. 5.14

Distribution of Entrepreneur by Nature of Product

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Nature of Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Innovative</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>2</td>
<td>Improved</td>
<td>19</td>
<td>63.3</td>
</tr>
<tr>
<td>3</td>
<td>Initiative</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.13

It is observed that there were variety of products which can be started in small scale business.
5.16. Distribution of Profit Margin of the Firm

Distribution of profit margin in the business is explained in Table 5.15 with pie chart. It is focused that 83.3 percent are getting normal profit, 13.3 percent responded that they receive low profit, due to the tough competition among the products. And 3.3 percent responded that they are getting very high profit. But actually due to the tough competition many entrepreneurs are keeping normal price for the product.

Table No. 5.15
Distribution of Profit Margin of the Firm

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Profit Margin of the Firm</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very high</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>2</td>
<td>Normal</td>
<td>25</td>
<td>83.3</td>
</tr>
<tr>
<td>3</td>
<td>Low</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.14
5.17. Distribution of Entrepreneurs by Production Problem

The entrepreneurs who were facing production problems is shown in table no. 5.16 with a graph. It is observed from the table almost 56.7 percent entrepreneurs are facing production problems. Such as lack of finance, labour problems, Road and transportation etc. and 43.3 percent entrepreneurs responded that they are not facing any production problems. Because some M.I.D.C. areas well maintained in all aspects of development.

Table No. 5.16

Distribution of Entrepreneurs by Production Problem

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Production Problem</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>17</td>
<td>56.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.15

It means almost 50 % entrepreneurs in Solapur district are facing production problems.
5.18. Classification of Source of Raw Material

Classification of availability of raw material is explained in Table no. 5.17. Generally, majority entrepreneurs purchase the raw materials locally, within district the total percentage is 96.7 and only 3.3 percent from other states i.e colour ink for the purpose of printing coloured paper which is used for newspapers and cartoon boxes.

Table No. 5.17

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Source of Raw Material</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Local</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>2</td>
<td>District</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>3</td>
<td>Other State</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>4</td>
<td>District</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>Local, Other State</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>6</td>
<td>Local, Other State, Other Countries</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.16

It can be concluded that the raw material which is needed is sufficiently available from other state and district as well as locally too.
5.19. Distribution of Adequate Supply of Raw Material

Distribution of adequate supply of raw material is shown in Table no. 5.18 with a graph.

Table No. 5.18
Distribution of Adequate Supply of Raw Material

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Adequate Supply of Raw Material</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>26</td>
<td>86.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.17

It is found that 86.7 percent entrepreneurs receive adequate supply of raw material whenever it is necessary. But 13.3 percent entrepreneurs responded that they do not receive adequate supply of raw material due to fluctuations in the price of raw materials.
5.20. Distribution by Purchase of Raw Material

Purchase of raw material is describe in Table no. 5.19 with a bar graph. The purchase of raw material which is done directly is 66.7 percent whereas through broker is 30 percent and only 3.3 percent purchase through salesman directly. It means there is very less interference of broker while purchasing the raw material.

Table No. 5.19

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Purchase the Raw Material</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Directly</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td>2</td>
<td>Through Broker</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>3</td>
<td>Directly, Any other way</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.18
5.21. Quality Control Dept. in the Firm

Establishment of Quality control department in the firm is explained in Table no. 5.20 with a round graph.

Almost 56.7 percent firms have quality control department in their business and 43.3 percent firms do not have any quality control department in their firm. Because it is not necessary particularly for that kind of product.

It can be concluded that there is no need of quality control department in each and every product which are produced in small scale business.

Table No. 5.20
Quality Control Dept. in the Firm

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Quality Control Dept. in the Firm</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>17</td>
<td>56.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
5.22. Distribution of Entrepreneur facing Raw material Problem

Distribution of Entrepreneurs facing problems of raw material is explained in Table no. 5.21.

It is clear from the table that 73.3 percent entrepreneurs are not facing any difficulties while purchasing raw material and 26.7 percent entrepreneurs responded that they are facing difficulties while purchasing raw materials.

Table No. 5.21
Distribution of Entrepreneur facing Raw material Problem

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Raw material Problem</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

It can be concluded that most of the entrepreneurs are purchasing the raw material directly from the supplier. Hence, they are not facing any difficulty.
5.23. Problem of Raw Material faced by the Entrepreneurs

The Problems of raw material which are faced by the entrepreneurs are shown in table no 5.22 with graph.

**Table No. 5.22**

**Problem of Raw Material faced by the Entrepreneurs**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Problem of Raw Material</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inferior quality</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>2</td>
<td>Price Fluctuation</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>3</td>
<td>Irregular Supply</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>Inadequate supply, Price Fluctuation</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>Inadequate supply, Inferior quality, Irregular Supply, High Price</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

**Graph No. 5.21**

The entrepreneurs who are facing problems of raw materials are 26.7 percent and it is of inferior quality, price fluctuation, irregular supply, high price, where as
73.3 percent entrepreneurs are not facing any problems in raw material which is shown with missing values.

5.24. Ownership Pattern of Industry

There are various forms of business organization to suit the requirements of different types of enterprises.

Private ownership pattern of industry are started at the initiative of private individuals. They are owned and managed by private persons.

Partnership industries are started by two or more persons. They contribute to the capital jointly. All of them jointly manage the business. They share profits and losses of the business.

Proprietary ownership means one person known as sole proprietor or Trader. He invests the required capital and manages the business. He enjoys profit and bears losses of the business. He is the only owner of the business. Small-scale business generally adopts this form of business organization.

The ownership pattern of industries is shown in the Table No. 5.23 with a graph. It is found that 46.7 percent industries are proprietary type 30.0 percent are in partnership and 23.3 percent are in private hands.

Table No. 5.23
Ownership Pattern of Industry

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Ownership Pattern of Industry</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Private</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>2</td>
<td>Partnership</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>3</td>
<td>Proprietary</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
It can be concluded that majority industries are in private or proprietary ownership type.

5.25. Classification of Management Structure

Classification of Management structure is explained in Table. 66.7 percent industries are self-managed 26.7 percent are controlled by owner-manager supervisor or accountant. And only 6.7 percent industry has managing Directors.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Management Structure of Industry</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Owner-Manager-Supervisor</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>2</td>
<td>Owner-Manager-Accountant</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>3</td>
<td>Managing Director</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>Self-Management</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
We can conclude that many industries are runned by self-management in small scale business.

5.26. Distribution of Help from the Family members

The distribution of entrepreneurs who are taking help from the family members are shown in table no 5.25 with a graph.

Majority of entrepreneurs were found taking help from their family members i.e. 80 percent are taking help and only 20 percent are not taking help from the family members.

Table No. 5.25

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Help from the Family members</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>24</td>
<td>80.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
So, it can be stated that small scale industries are runned by the owner and their family members to make it successful.

5.27. Distribution of Appoint Sales executive for firm

Distribution of Appointment of sales executive for firm is given in table no. 5.26 with a graph.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Appoint Sales executive for firm</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>16</td>
<td>53.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
Almost 46.7 percent entrepreneurs have appointed sales executive for their firm and 53.3 percent entrepreneurs did not appoint sales executive for their firm. It can be conclude that it is not necessary for all the small scale industrial products to appoint sales executive.

5.28. Distribution of Purchase Officer in the Industry

Opinion of the entrepreneurs regarding the purchase officer in the industry is explained in table no. 5.27 with a graph.

Table No. 5.27

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Purchase Officer in the Industry</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>24</td>
<td>80.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
From the entrepreneurs' response it can be stated that only 20 percent industries have appointed purchase officer and 80 percent industries do not need to appoint purchase officer.

Generally small scale entrepreneurs purchase raw materials directly from the producer, so they do not appoint purchase officer.

5.29. Classification of Management
The explanation regarding management of the industry is given in table no.5.28. It shows that 93.3 percent entrepreneurs are managing the whole industry alone and only 6.7 percent entrepreneurs appointed managers.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Managing whole Industry alone</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>28</td>
<td>93.3</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
It can be conclude that due to the small scale production it is possible to handle the whole industry alone.
5.30. Classification of Involves workers in decision making

Involvement of workers in decision making is shown in table no. 5.29 with a graph.

Table No. 5.29
Classification of Involve workers in decision making

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Involve workers in decision making</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.27

It implies that 73.3 percent entrepreneurs take the decision regarding production by involvement the worker where as 26.7 percent entrepreneurs do not involve the workers in decision making.
It is found that the production process is improved due to the involvement of workers in decision making.

5.31. Recruitment of Employees
Recruitment of Employees are shown in table no 5.30 with bar graph. It indicate that 20 percent employees are appointed by taking interview, 23.3 percent are recruited with experience, 16.7 percent were appointed with personal relationship and remaining 36.7 percent with experience, by interview and with technical knowledge.

Table No. 5.30
Recruitment of Employees

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Recruitment of Employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>By taking interview</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>2</td>
<td>With experience</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>3</td>
<td>With technical knowledge</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>Personal relationship</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>5</td>
<td>Other</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>By taking interview, With experience</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>7</td>
<td>With experience, Personal relationship</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>8</td>
<td>With technical knowledge, Personal Relationship</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>9</td>
<td>By taking interview, With experience, With technical knowledge</td>
<td>5</td>
<td>16.7</td>
</tr>
</tbody>
</table>

Total 30 100

Source: Field Survey
It can conclude that majority employees were appointed in the small scale industries with experience and by taking interview and with technical knowledge.

5.32. Classification of Male Trained employees

Classification of Male trained employees is given in table no. 5.31 and shown with a graph. It is observed that, 73.3 industries have male trained employees in between 1 to 10 persons, 13.3 industries with 11 to 20 persons 6.7 have 21 to 30 persons, and 3.3 each belongs to 41 to 50 persons and 51 and above.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Male Trained employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 to 10 Person</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td>2</td>
<td>11 to 20 Person</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>3</td>
<td>21 to 30 Person</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>41 to 50 Person</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>51 and Above</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>
It can be conclude that majority small scale business have employees between 1 to 20 persons and very less has more than that.

5.33. Classification Entrepreneurs by Female trained Employees

Classification of female trained employees are shown in table no 5.32 with a bar graph.

**Table No. 5.32**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Female trained Employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upto 5</td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td>2</td>
<td>6 to 10</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>3</td>
<td>16 and above</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Total</td>
<td>18</td>
<td>60.0</td>
</tr>
<tr>
<td>5</td>
<td>Missing Value</td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
It is found that, 60 percent industry have female employees and 40 percent are missing, it means they have not appointed any female in their industry.

It implies that, female employees are less appointed than male employees in the small scale business.

**5.34. Distribution of Relationship between Employer & Employees**

The Relationship between Employer and Employees is given table no. 5.33 with a graph. It is clear from the table and graph that entrepreneurs have good relationship between them and employees, 33.3 percent employer have very good relationship with the employees and very few i.e. 6.7 percent entrepreneurs have limited relationship with the employees.

**Table No. 5.33**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Relationship between Employer &amp; Employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very good</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>18</td>
<td>60.0</td>
</tr>
<tr>
<td>3</td>
<td>Limited</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>
While doing the field work it found that majority entrepreneurs have good or very good relationship with the employees, because the production can increase only if the relationship between the employer and employees are good.

5.35. Incentive paid to Employees

Entrepreneurs giving Incentives to the employees is given in table no. 5.34 and with a graph.

Almost 86.7 percent entrepreneurs are giving incentives to their employees. But 13.3 percent entrepreneurs do not give any kind of incentive to the employees.

Table No. 5.34

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Incentive paid to Employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>26</td>
<td>86.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
It is found that the entrepreneurs who are giving these incentives, at the festive time like Dassera and Diwali.

5.36. Classification of Pay Incentive to the Employees

Those entrepreneurs who are giving the incentives in different from is explained in table no 5.35.

Table No. 5.35

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>If yes, specify</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cash</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>2</td>
<td>Bonus</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>3</td>
<td>Any other</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Cash, Bonus</td>
<td>13</td>
<td>43.3</td>
</tr>
<tr>
<td>5</td>
<td>Bonus, Out of turn promotion</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Bonus, Any other</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>7</td>
<td>Total</td>
<td>26</td>
<td>86.7</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
The entrepreneurs responded that they are giving the incentive in the form of cash, Bonus and in other way i.e. by giving edibles and cloths to the employees. The total percentage is 86.7 and 13.3 percent entrepreneurs are not giving any incentives, which is counted as missing values.

It can concluded that most of the entrepreneurs are giving incentive once in year to their employees.

5.37. Classification of Entrepreneurs Wage System followed by firm

‘Wages’ means all remuneration expressed in terms of money or capable of being payable in terms of employment, expression or implied fulfillment; be payable to a person employed with respect of his employment or of payable work done under any law. Minimum wages are typically established by contract or legislation by the government. As such, it is illegal to pay an employee less than the minimum wage. Classification of entrepreneurs wage system followed by firm is given in table no 5.36. It is seen from the above table 76.7 percent entrepreneurs are paying the wages
as per minimum wage act, 20 percent entrepreneurs are paying higher than minimum wage act and 3.3 percent paying lower than minimum wage act.

Table No. 5.36
Classification of Entrepreneurs Wage System followed by firm

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Wage System followed by firm</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>As per minimum wage act</td>
<td>23</td>
<td>76.7</td>
</tr>
<tr>
<td>2</td>
<td>Lower than minimum wage act</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>3</td>
<td>Higher than minimum wage act</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Graph No. 5.34

It shows that majority entrepreneurs are following the minimum wage act policy of the Government.
5.38. Distribution of Entrepreneurs by Training facility to Labours

Training is the act of increasing the knowledge, skill and attitude of an employee for doing a particular job.

Training can be provided in following ways –
Knowledge – Training in this area aims at imparting information and guidelines to do a job better.
Technical Skills – The candidate is provided with training in practical aspects of a job such as operating or repairing a machine.
Social Skills – The employees are trained in inter-personal skills. This helps in dealing effectively with both insiders and outsiders.
Techniques – Training in this area involves teaching of application of knowledge and skills to handle dynamic situations.\(^6\)

Distribution of Entrepreneurs by Training facility to Labour are given in table no. 5.37. It implies that 76.7% percent entrepreneurs are providing training facilities within the industry, 10 percent entrepreneurs sent the workers outside at a training center and 13.3 percent entrepreneurs do not need any trained worker, hence it is shown as a missing values.

### Table No. 5.37

Distribution of Entrepreneurs by Training facility to Labours

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Training facility to Labours</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>within the industry</td>
<td>23</td>
<td>76.7</td>
</tr>
<tr>
<td>2</td>
<td>Outside at a training center</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>3</td>
<td>Within the industry, Outside at a training center.</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>Total</td>
<td>26</td>
<td>86.7</td>
</tr>
<tr>
<td>5</td>
<td>Missing Value</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
It means majority workers get the training with ‘Learning by doing’, hence they do not need any special training.

5.39. Classification of Labour Insurance Policy

Labour Insurance policy means employment in a factory or industry to which this Act applies [sec 2 (13 A)]. Section 38 of the Act provides that, “subject to the provisions of this Act, all employees in factories to which this Act applies shall be insured in the manner provided by this Act”.

Classification of Labour insurance policy is shown with a table no 5.38.

Table No. 5.38

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Labour Insurance Policy</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>18</td>
<td>60.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
The entrepreneurs who have taken labour insurance policy is 60 percent and those entrepreneurs who have not taken insurance policy of the labour is 40 percent.

It indicate that a high risk production units have taken their labour insurance policy whereas the units with no risk in production did not took labour insurance policy. Still it is very necessary in the production to take all workers insurance policy for the safety.

**5.40. Classification of Entrepreneurs by Health & Safety facilities to employees**

In small scale industries majority entrepreneurs are providing Health and Safety facility to the workers, e.g. regular health check-up camps, providing primary safety devices like first-aid, helmets, goggles, masks, aprons etc.

Table no.5.39 with a graph shows the classification of entrepreneurs those who are providing Health and safety facility to the employees.
Table No. 5.39
Classification of Entrepreneurs by Health & Safety facilities to employees

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Health &amp; Safety facilities to employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>27</td>
<td>90.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.37

It is found that 90 percent entrepreneurs are providing health and safety facilities to the employees and only 10 percent entrepreneurs do not provide health and safety facility to the employees. But it should make obligatory to all entrepreneurs to provide health and safety facility.

5.41. Spend Research & Development

The entrepreneurs who spent on Research and Development (R &D) is shown in table no 5.40. It is observed that only 40 percent entrepreneurs spend on R & D and 60 percent do not have R & D department. Industries like textile, engineering and polymer needs R & D department for the improvement in their product.
Table No. 5.40
Spend Research & Development

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Spend Research &amp; Development</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>18</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.38

It can conclude that all industries do not need to keep their R & D department. It depends on the products which they are concerned.

5.42. Distribution of Spend Amount per year
Distribution of spent amount per year on R & D is given in table no 5.41. It is found that only 40 percent entrepreneurs spent on R & D. The amount is between 25 thousand to 20 lakh whereas 60 percent entrepreneurs do not need to spend on R & D.
### Table No. 5.41

**Distribution of Spend Amount per year**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>If Yes, amount per year</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25,000 to 50,000 thousand</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>2</td>
<td>0-20 lakh</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td>System</td>
<td></td>
<td>18</td>
<td>60.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

### Graph No. 5.39

#### 5.43. Distribution of Entrepreneur by Labour Problem

Entrepreneur’s reaction about the labour problems is given in the table no. 5.42. Almost 73.3 percent entrepreneurs are facing labour problems in their industries. Most of the industries are from North Solapur and Mohol taluka, but 26.7 percent entrepreneurs responded that they are not facing any labour problem. Because these taluka are less developed compared to Solapur City (North Solapur) Hence, the availability of labour are more in other talukas.
Table No. 5.42

Distribution of Entrepreneur by Labour Problem

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Labour Problem</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.40

It is also found that majority works have other source of income therefor they are not much worried about the work.

5.44. Causes of Labour Problem

The cause of labour problems are explained in table no. 5.43 with a graph. It is seen that the 73.3 percent entrepreneurs those are facing labour problems is due to Non-availability of skilled labour, Absenteeism, Inadequate training facility. Among these causes absenteeism is the worse problem which the entrepreneurs are facing. Hence, they are not able to produce at its full capacity of machine. On the other hand 26.7 percent entrepreneurs are not facing any labour problem due to adequate supply of labour and they have appointed the labours migrated from Bihar state.
Table No. 5.43
Causes of Labour Problem

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>If yes, details</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Non-availability of skilled labour</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>2</td>
<td>Absenteeism</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>3</td>
<td>High labour cost, Absenteeism</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Non-availability of skilled labour, Absenteeism</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>5</td>
<td>Non-availability of skilled labour, Inadequate training facility.</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Non-availability of unskilled labour, Absenteeism</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>7</td>
<td>Non-availability of skilled labour, Non- availability of unskilled labour, Absenteeism</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>8</td>
<td>Non-availability of skilled labour, Absenteeism, Inadequate training facility</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>9</td>
<td>Total</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
While doing survey it is found that many workers are migrating from Bihar to Solapur in the search of work. And the entrepreneurs are providing shelter and foodgrain to these workers to solve the labour problem. Hence, labour force from Solapur are moving to Pune district for jobs due to high salary which they get there.

5.45. Entrepreneurs Network of Marketing

The products from small scale industries are sold in local market i.e throughout the Solapur district in other regions like Bijapur, Karad, Ahmadnagar, Jamkhed, Phalthan, Ichalkaranji, Latur, Osmanabad, Beed, Vairag, Tungat etc., Even some products are sold on national level i.e Delhi, Harayana, Goa, Mumbai, Pune etc., Rather than this few products are sold in other countries like America, Australia, Germany.

Entrepreneurs Network of Marketing is described in table no. 5.44 with a bar graph. The highest products are sold in the local market i.e.40 percent, 26.7 percent products are sold in local and regional level, 20percent in regional market, 3.3 percent each in national and international market and 6.7 percent in local, regional as well as in national markets.
Table No. 5.44

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Network of Marketing</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Local</td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td>2</td>
<td>Regional</td>
<td>6</td>
<td>20.0</td>
</tr>
<tr>
<td>3</td>
<td>National</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Local, Regional</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>5</td>
<td>National, International</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Local, Regional, National</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.42

From the Above information it can be concluded that the products from small scale industries are fulfilling the need of consumers on local, regional, national and international levels.
5.46. Classification of Entrepreneurs by Export of the Product

Classification of Exporter entrepreneurs shown in table no 5.45. Only 10 percent entrepreneurs are exporting their products to other countries like German, Austriliya and America and the products are piston, tamarind powder and Terri towels. The remaining 90 percent entrepreneurs are not exporters but they fulfill the need on local, regional and national levels.

Table No. 5.45
Classification of Entrepreneurs by Export of the Product

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Export of the Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>27</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.43

It implies that small scale business are not only providing the commodities on local or regional level but it also provides on national and international levels too.
5.47. Distribution of Export Value in Rs.

The Export value is described in table no 5.46. It shows that 3.3 percent entrepreneurs annual amount of export value is Rs. 5 to 10 lakh, 6.7 percent entrepreneurs annual export value is more than 20 lakh the total exporter are 10 percent as shown in the table and 60 percent are not the exporters.

Table No. 5.46

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Export Value in Rs.</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rs. 5 to 10 lakh</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>2</td>
<td>More than Rs. 20 lakh</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>System</td>
<td></td>
<td>27</td>
<td>90.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.44
5. 48. Classification of Entrepreneur by Promotion of Product

Promotion of product through the entrepreneurs is classified in table no. 5.47. The entrepreneurs responded that they are promoting the products through advertisement, sales men, and personal contact and in other way i.e. approaching the consumers and the percent is 93.3, whereas 6.7 percent entrepreneurs responded that there is no need to do any promotion for their products.

Table No. 5.47
Classification of Entrepreneur by Promotion of Product

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Promotion of Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advertising</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>2</td>
<td>Sales men</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>3</td>
<td>Personal contact</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td>4</td>
<td>Any other</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>Advertising, Personal contact</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>6</td>
<td>Sales men, Personal contact</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>7</td>
<td>Advertising, Sales men, Personal contact</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>8</td>
<td>Advertising, Sales men, Personal contact, Exhibition, Training Programme</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>9</td>
<td>Total</td>
<td>28</td>
<td>93.3</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
It can conclude that advertisement and salesman are two good promoter of the products.

5.49. Distribution of Pricing Policy of Industry

Cost Plus Pricing is a most commonly used method. In this type cost of product is estimated and a margin of some kind of profit is added while determining the price. Majority of the business firm usually set prices for their products on the basis of cost plus profit.

Actual cost refers to historical cost for the latest available period. It covers wage bills, raw materials costs, and overhead charges at the current output rate.

Expected cost means a forecast for the printing period on basis of expected prices, output rates and productivity.

Standard cost refers to a normal cost determination at some normal rate of output at a given level of capacity utilization and productivity at normal level.8

Pricing Policy of the entrepreneurs are described in table no.5.48. Almost 66.7 percent entrepreneurs are adopting cost plus pricing, 10 percent are receiving actual
cost, 3.3 percent entrepreneurs gets expected cost, 16.7 percent are adopting standard cost and only 3.3 percent are getting cost plus and standard cost.

It means the majority entrepreneurs are adopting cost plus or standard pricing policy because there is tough competition in the market for the products.

### Table No. 5.48

**Distribution of Pricing Policy of Industry**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Pricing Policy of Industry</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cost Plus</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td>2</td>
<td>Actual Cost</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>3</td>
<td>Expected Cost</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Standard Cost</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>5</td>
<td>Cost Plus, Standard Cost</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey

### Graph No. 5.46

![Graph showing the distribution of pricing policies](image)
5.50. Distribution of Entrepreneurs by Product

Distribution of products which are produced by small scale entrepreneurs is described in table no 5.49. From the entrepreneurs response it can be stated that, almost 93.3 percent are selling their commodities through wholesaler’s retailers, agents and in other ways i.e. directly to the consumers. But 6.7 percent entrepreneurs responded that they have made contract to supply the products to the particular industries like chemical and leather products.

Table No. 5.49

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Distribution of Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wholesalers</td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td>2</td>
<td>Retailers</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>3</td>
<td>Agents</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>Any other</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>5</td>
<td>Wholesalers, Retailers</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>6</td>
<td>Wholesalers, Agents</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>7</td>
<td>Wholesalers, Retailers, Agents</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>28</td>
<td>93.3</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
With the above information we can conclude that majority small scale products are sold in the market through wholesalers, retailers and agents.

5.51. Classification of Facility provided by State & Central Gov.

Facility provided by state and Central Government is classified in table no.5.50 with a round graph.

It is observed that 36.7 percent entrepreneurs took only land facility by the Government but they did not took any financial assistance from the Government as the process of taking loans is difficult and time consuming. Therefore, only 3.3 percent entrepreneurs took the financial assistance and total 40 percent entrepreneurs have taken the land and finance from Govt.
Table No. 5.50

Classification of Facility provided by State & Central Gov.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Facility provided by State &amp; Central Gov.</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land</td>
<td>11</td>
<td>36.7</td>
</tr>
<tr>
<td>2</td>
<td>Finance, Land</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>18</td>
<td>60.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.48

5.52. Distribution of Tax Saving benefit by Govt.

The Government is giving Tax saving Benefits upto 7 years after starting the industry. The subsidy is deducted from taxation.

Distribution of Tax saving benefits given by Govt. is shown in Table No. 5.51. It is found that 73.3 percent entrepreneurs did not receive any tax benefits from the Govt. whereas 26.7 percent entrepreneurs responded that they got the tax saving benefit initially upto 7 years.
Table No. 5.51
Distribution of Tax Saving benefit by Govt.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Tax Saving benefit by Govt.</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.49

At present there are almost 10 to 20 types of taxes which are imposed in Solapur city (North Solapur) i.e. sales tax, professional tax, VAT, LBT, Property tax, etc. In other taluka the taxes are limited and imposing as per the requirement i.e. property tax and sales tax. Which is hampering growth of industrial development.
5.53. Classification of Industry Insured

Table No. 5.52 indicates the classification of insured industries. It is clear from the table and graph almost 93.3 percent industries are insured and only 6.7 percent industries are not insured which shows awareness about the insurance policy among the entrepreneurs.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Industry Insured</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>28</td>
<td>93.3</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

It is concluded from the above table that the maximum entrepreneurs in all the talukas are covered by insurance. But those who have not taken insurance, they are not aware of the insurance scheme or did not understood the advantages of it.
**5.54. Classification of Concessional Loan Facility**

Classification of concessional loan facility given by the Govt. is show in Table No. 5.53

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Concessional Loan Facility</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>20</td>
<td>66.7</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Graph No. 5.51

It reveals that only 33.3 percent entrepreneurs has taken loan from Govt. and 66.7 percent entrepreneurs did not take loan facility from the Govt. Because Nationalized Bank are not providing loan as per the Govt. scheme. Even loans are not sanctioned easily. Hence, many entrepreneurs are taking loan from co-operative Banks rather the nationalized banks.
5.55. Distribution of Govt. Policies helpful for Industry

It is understood from the Table No. 5.54 that weather the Govt. Policies are helpful for industries 50 percent entrepreneurs responded positively and 46.7 percent entrepreneurs responded negatively 3.3 percent entrepreneurs rejected to answer.

Table No. 5.54
Distribution of Govt. Policies helpful for Industry

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Govt. Policies helpful for Industry</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>15</td>
<td>50.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>29</td>
<td>96.7</td>
</tr>
<tr>
<td>Missing Value</td>
<td></td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.52

It means still 50 percent entrepreneurs are not satisfied by the Govt. Policies and most of them are from North Solapur.
Utilize full Capacity of Industry

Utilization of full capacity of Industry is shown in table no. 5.55.

### Table No. 5.55
Utilize full Capacity of Industry

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Utilize full Capacity of Industry</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>21</td>
<td>70.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.53

It implies that 70 percent entrepreneurs are utilizing the full capacity of industry it means the production is done as per their expectation and 30 percent are not utilized full capacity due to n number of problems i.e non-availability of skilled labour, power shortage, lack of working capital, lack of order, machinery breakdown, shortage of raw material etc.
5.57. Reasons for under Utilization of Capacity

Reasons for under Utilization of Capacity is represented in the table no. 5.56.

Table No. 5.56
Reasons for under Utilization of Capacity

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Reasons for Utilization Capacity</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Availability of skilled labour</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>2</td>
<td>Power shortage</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>3</td>
<td>Lack of working capital</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>4</td>
<td>Lack of order</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>Availability of skilled labour, Power shortage</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Machinery breakdown, Power shortage</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>7</td>
<td>Power shortage, Lack of order</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>8</td>
<td>Lack of working capital, Lack of order</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>9</td>
<td>Availability of skilled labour, Shortage of raw material, Lack of order.</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>10</td>
<td>Machinery breakdown, Power shortage, Shortage of raw material.</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>11</td>
<td>Power shortage, Shortage of raw material, Lack of order.</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>46.7</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Missing Value</strong></td>
<td><strong>16</strong></td>
<td><strong>53.3</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey
It can be observed from the table 46.7 percent entrepreneurs are under utilization of capacity of industry due to non-availability of skilled labour, power shortage, lack of working capital, lack of order, machinery breakdown, shortage of raw material etc. But 53.3 percent entrepreneurs responded that they are utilizing full capacity of industry because they are getting adequate supply of labour, water and electricity supply through express feeder i.e. permanent electricity supply throughout the year. In some industries they have water recycling plant, which reduces water consumption. They are not finding any difficulty in acquiring other resources too.
5.58. Problems of Transportation

It is inferred from the table no. 5.57, that 50 percent entrepreneurs were facing transportation problems.

Table No. 5.57
Problems of Transportation

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Problems of Transportation</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poor road facility</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>2</td>
<td>high Transportation cost</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>3</td>
<td>Less vehicle availability</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>4</td>
<td>High Transportation cost, Less vehicle availability</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>Poor road facility, high transportation cost, Less vehicle availability</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>6</td>
<td>Poor road facility, High transportation cost, Less vehicle availability, Any other</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>15</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>15</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey
The entrepreneurs are facing transportation problems i.e. poor road facility, high transportation cost, less vehicle availability etc. In Solapur district 50 percent entrepreneurs are facing production problems due to lack of finance, labour problems, road and transportation, robbery of raw materials etc. So, it is necessary to find out the needs of the entrepreneurs by the authority of corporation for the development of this sector.

Whereas 50 percent entrepreneurs are not facing these transportation problem because now Govt. is providing good road connectivity from Rural to Urban areas.

**Consumers Reactions**

5.59. Age wise distribution of Consumers
The survey of Consumers who are selling the products, produced in Small scale industries in Solapur district is describe follows Almost 200 consumers reactions were studied. 
Table no 5.58 indicates Age-wise distribution of consumers. It implies that, the age group of the consumers between 36 to 45 year 25 percent, between 26 to 36 years is
24.5 percent, 55 and above are 22 percent, consumers between 46 to 55 years are 21.5 years i.e. 7 percent only.

Table No. 5.58
Age wise distribution of Consumers

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Age Group</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to 25 year</td>
<td>14</td>
<td>7.0</td>
</tr>
<tr>
<td>2</td>
<td>26 to 35 year</td>
<td>49</td>
<td>24.5</td>
</tr>
<tr>
<td>3</td>
<td>36 to 45 year</td>
<td>50</td>
<td>25.0</td>
</tr>
<tr>
<td>4</td>
<td>46 to 55 years</td>
<td>43</td>
<td>21.5</td>
</tr>
<tr>
<td>5</td>
<td>55 and above</td>
<td>44</td>
<td>22.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.56

It means the majority consumers who purchase the products are in the age group of between 26 to 45 years.
5.60. Distribution of Consumers by Educational Level

Consumer’s educational level is describe in table no. 5.59. It is seen from the table that 44.5 percent consumers were Graduate, 14.5 percent consumers were Post-graduate, 19.5 percent consumers were educated upto 12\textsuperscript{th} std. 17 percent were from other groups i.e. below 10\textsuperscript{th} std or some of them are taken different education and only 4.5 percent consumers were having technical education.

Table No.5.59

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Educational Level</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>upto 12th Std</td>
<td>39</td>
<td>19.5</td>
</tr>
<tr>
<td>2</td>
<td>Graduate</td>
<td>89</td>
<td>44.5</td>
</tr>
<tr>
<td>3</td>
<td>Post Graduate</td>
<td>29</td>
<td>14.5</td>
</tr>
<tr>
<td>4</td>
<td>Technical</td>
<td>9</td>
<td>4.5</td>
</tr>
<tr>
<td>5</td>
<td>Other</td>
<td>34</td>
<td>17.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.57

Education is the best means of developing ones resource fullness which encompasses different dimensions. These consumers are selling various products which are produced in small scale industries in Solapur district, as per their suitable knowledge.
5.61. Gender-wise distribution of Consumers

Gender-wise distribution of consumers is shown in table no. 5.60. Indian community is still male dominated. Though equal opportunities are available to men and women, still women are comparatively less involved in business. Which can be observed by the following table.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>170</td>
<td>85.0</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>30</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.58

Above table is the evident of the gender of the consumers. It is seen from the above table that there were 70 percent of consumers who were male and 30 percent consumers who were female. It shows that a large number of consumers were male and only a small percentage are female who orders the goods from entrepreneurs.
5.62. Classification of Opinion about quality of product

Opinion about quality of product is classified in table no. 5.61. Quality of product plays crucial role while purchasing the commodity. Even the prices are depended upon the quality of the product. Hence, the quality of product is very important aspect in the view of entrepreneurs and consumers.

Table No. 5.61
Classification of Opinion about quality of product

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Opinion about quality of product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very good</td>
<td>74</td>
<td>37.0</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>94</td>
<td>47.0</td>
</tr>
<tr>
<td>3</td>
<td>Satisfactory</td>
<td>30</td>
<td>15.0</td>
</tr>
<tr>
<td>4</td>
<td>Poor</td>
<td>2</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>200</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.59
The above table indicates that there were 47 percent consumers who feel that the products from small scale industries are good. 37 percent consumers responded that it is very good, 15 percent said it is satisfactory and only 1 percent responded that it is poor quality.

Hence it can be concluded that the majority consumers feel that the products are of good and very good quality and there wants are satisfied.

5.63. Distribution of Consumers by Price of the Product
Consumer’s reaction about price of the product is given in table no. 5.62. As explained in the above table the price of the product is depended upon the quality. It is observed that 79.5 percent consumers feel that the prices of the product are reasonable, 9.5 percent consumers responded that the prices are normal, 7.5 percent and 3.5 percent said it is very high and high respectively. But after considering majority consumers opinion regarding the price it can be concluded that the prices of the products from small scale business are generally responsible or normal. Because there is tough competition in the market for the products which the entrepreneurs have to face. Even by keeping in mind that majority consumers belongs to middle class or upper middle class, they have to adopt the pricing policy.

Table No. 5.62
Distribution of Consumers by Price of the Product

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Price of the Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very high</td>
<td>15</td>
<td>7.5</td>
</tr>
<tr>
<td>2</td>
<td>High</td>
<td>7</td>
<td>3.5</td>
</tr>
<tr>
<td>3</td>
<td>Reasonable</td>
<td>159</td>
<td>79.5</td>
</tr>
<tr>
<td>4</td>
<td>Normal</td>
<td>19</td>
<td>9.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
5.64 Availability of Product

Availability of product is also very important while purchasing the commodities. The table no.5.63 indicates the availability of produces to the consumers. 94.5 percent consumers responded that they have satisfactory and 5.5 percent have dissatisfactory availability of product. It may be due to the production problems which the entrepreneurs has to face.

Table No. 5.63

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Availability of Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Satisfactory</td>
<td>189</td>
<td>94.5</td>
</tr>
<tr>
<td>2</td>
<td>Dissatisfactory</td>
<td>11</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey
Hence it can state that the small scale industries are setup on local areas. So it is possible to supply immediately to the consumers according to their need.

5.65. Difficulty in delivery of Product
Table no. 5.64 shows the difficulty in delivery of product. The products from small scale business are sold in local market, regional, national and international markets. Almost 93.5 percent consumers responded that they do not face any difficulty in the delivery of product. But 5.5 percent were not happy with the delivery of product and 1 percent consumer did not gave any opinion regarding delivery of product.

**Table No. 5.64**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Difficulty in delivery of Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>11</td>
<td>5.5</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>187</td>
<td>93.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>198</td>
<td>99.0</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>2</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>
After considering the reaction of the consumers from different states and region it can conclude that due to the prompt service given by the entrepreneurs the small scale business is flourishing in Solapur district. Most of the consumers are from Karnataka, all over Maharashtra and Goa.

5.66. Supply according to demand
The Supply of products according to its demand is shown in table no. 5.65. Supply of commodities produced in small scale business in Solapur district is describe in various regions and states. It is clear from the respondent 96.5 percent consumers gets the supply according to demand and 3.5 percent do not get the supply according to demand, but which is negligible.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Supply according to demand</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>193</td>
<td>96.5</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>7</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table No. 5.65
Supply according to demand
It is very necessary to supply immediately to the consumers now a days because it is buyers-market rather than sellers-market. There is tough competition in every business from China.

**5.67. Classification in Variety of Product**

Table no. 5.66 depict the availability of products. It is observed that 86.5 percent consumers said that the variety is available, 11.5 percent consumers responded that for some products it not necessary, 5 percent said that it not available and only 1.5 percent responded that they use a particular product so they do not need any variety.

**Table no. 5.66**  
**Variety of Product**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Variety of Product</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Available</td>
<td>173</td>
<td>86.5</td>
</tr>
<tr>
<td>2</td>
<td>Not available</td>
<td>1</td>
<td>.5</td>
</tr>
<tr>
<td>3</td>
<td>Not necessary</td>
<td>23</td>
<td>11.5</td>
</tr>
<tr>
<td>4</td>
<td>Other</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>
There were some industries like Textile, Leather products, Utensil, edibles, Polymer etc. which have to produce variety of products. But industries like cement, pare, engineering etc. do not need to produce variety of products. They can produce a particular product as per the requirement of the customer.

5.68. Service provided by Industry
Table no 5.67 indicate the service provided by industry. It implies that 97.5 percent consumers are happy with the service provided by the industry whereas only 2.5 percent consumers were not happy with the service provided by the industry.

**Table No. 5.67**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Are you Happy with Service provided by Industry</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>195</td>
<td>97.5</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>
It is seen that small scale industries are located within the district. Hence they are providing commodities within time, with less price, good quality and prompt delivery, so the consumers are happy with the service. Even the same reasons received from the consumers from other regions and state.

5.69. Opinion regarding the Salesmanship
The consumer were ask to give opinion regarding the salesmanship of the Small scale industries which is explained in tableno. 5.68.

Table No. 5.68
Opinion regarding the Salesmanship

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Opinion regarding the Salesmanship</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very Good</td>
<td>70</td>
<td>35.0</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>108</td>
<td>54.0</td>
</tr>
<tr>
<td>3</td>
<td>Satisfactory</td>
<td>14</td>
<td>7.0</td>
</tr>
<tr>
<td>4</td>
<td>Not good</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>197</td>
<td>98.5</td>
</tr>
<tr>
<td>Missing Value</td>
<td></td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The 54 percent consumers responded that the salesmanship is good, 34 percent consumers said it is very good, 7 percent said it is satisfactory, 2.5 percent consumer remarked not good and 1.5 percent consumers rejected to answer because they give order for the product directly on telephone to the entrepreneurs. It means the salesmanship is an art to sale the commodities more in the make. Hence, majority entrepreneurs are appointing salesman’s for their products.

5.70. Problem in Purchasing
Table No.5.69 shows whether the consumers have problems in purchasing. It is seen that 95 percent consumer do not have any problems while purchasing the products and 4 percent consumers have problems in purchasing because sometime the orders are delayed due to shortage of transportation. 1 percent consumer could not answer this, as they are purchasing personally whenever they need.
Table No. 5.69

Problem in Purchasing

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Problem in Purchasing</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>8</td>
<td>4.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>190</td>
<td>95.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>198</td>
<td>99.0</td>
</tr>
<tr>
<td></td>
<td>Missing Value</td>
<td>2</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey

Graph No. 5.67

As consumes are king of the market every entrepreneurs tries to satisfy their consumer. Hence, the consumers do not have problems in purchasing.
5.71. Hypothesis Testing

**Project Investment and Age of Entrepreneurs**

Below table shows the Age of Entrepreneurs and Project investment in the Small scale Entrepreneur in Solapur District. According to Age of Entrepreneurs it is divided into four Category such as 26 to 35 years, 36 to 45 years, 46 to 55 years and 56 and above. It shows that 12 (40.0%) respondents are in age group between 36 and 45 years, followed by 10(33.3%) respondents in age group between 46 and 55 years. It means that more than 73 % respondents are belonging from age between 36 and 55 years. Remaining 8 (26.7%) respondents are in age of 26 to 35 years and 56 and above years.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Project Investment</th>
<th>Age</th>
<th>Count</th>
<th>% within Project Investment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>26 to 35 year</td>
<td>36 to 45 year</td>
<td>46 to 55 years</td>
<td>56 and above</td>
</tr>
<tr>
<td>1</td>
<td>Up to 25 lakh</td>
<td>0</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.0%</td>
<td>50.0%</td>
<td>37.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>2</td>
<td>26 to 50 lakh</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25.0%</td>
<td>37.5%</td>
<td>25.0%</td>
<td>12.5%</td>
</tr>
<tr>
<td>3</td>
<td>51 to 75 lakh</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.0%</td>
<td>50.0%</td>
<td>50.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>4</td>
<td>76 lakh to 1 Crore.</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.0%</td>
<td>28.6%</td>
<td>28.6%</td>
<td>42.9%</td>
</tr>
<tr>
<td>5</td>
<td>1 Crore. to 3 Crore.</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.0%</td>
<td>33.3%</td>
<td>33.3%</td>
<td>33.3%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2</td>
<td>12</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.7%</td>
<td>40.0%</td>
<td>33.3%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>
Out of the 30 Entrepreneurs the 16 Entrepreneur Project Investment is recorded up to Rs. 50 lakh. On the other hand, very few i.e. 3 entrepreneurs project investment is recorded from Rs. 1 Crore to 3 Crore. It is also seen that very few belonging (only 2 entrepreneurs) are from age between 26 and 35 years with having their project investment Rs. 25 to 50 lakh. Most of the 12 entrepreneur’s belonging age from 36 to 45 years, out of that 4 respondents investment is recorded up to 25 lakh, 3 respondents investment Rs. 25 to 50 lakh, 4 respondents project investment of Rs. 50lakh to Rs. 1 Crore and only 1 respondents has recorded the investment with Rs. 1 Crore to 3 Crore.

Below graph shows the Age group of selected Entrepreneurs and Project investment in Small Scale Entrepreneur in Solapur city.

The graph shows that the relationship between age of entrepreneurs and their project investment in the SSI.
Chi- Square Test

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>df</th>
<th>Sig (2-Sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>10.009a</td>
<td>12</td>
<td>0.615</td>
</tr>
</tbody>
</table>

To examine the relationship between the Age group of respondents and project investment of respondents. The hypothesis has been tested by using Chi- Square test. The test was done by taking the below hypothesis

H0: The total project investment and age of the Entrepreneur are not closely associated.

H1: The total project investment and age of the Entrepreneur are closely associated.

The tabular value of “t” at 5% level of significance for 12 degree of freedom is (df ) = 21.02. The computed value of Chi-square test statistic is 10.00, which is smaller than the table value of Chi-square test statistic with 21.02. Therefore, we can say that, the data not provides us sufficient evidence against null hypothesis, which means the alternative hypothesis is rejected at 5% percent level of significance with 12 degree freedom and accepted the Null hypothesis for these attributes. It means that there is not any relation between the project investment and age of the respondent.

**Project Investment and Education of Entrepreneurs**

The Status of Education of entrepreneurs is divided into four categories such as upto 12th Std., Graduation, Post-Graduation, Technical and other type of education. Among the total entrepreneurs, most of the 13 (43.3%) entrepreneurs have completed Graduation, 6 (20%) entrepreneurs completed Post-Graduation, 5(16.7%) completed the Technical education and 2 (6.7%) entrepreneur completed other type of education. The table below shows the relationship between Project investment and Education of Entrepreneurs, It seen that Graduate entrepreneurs total 10 respondents having project investment between Rs. 25 to 50 lakh and 75 lakh to 1 Crore. Among the 6 Post Graduate entrepreneurs, 2 respondents investment is between Rs. 75 lakh and 1 Crore. Only few entrepreneurs i.e. 2 (6.7%) investment of upto 25 lakh who belongs to other education type.
## Project Investment and Education of Entrepreneurs

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Project Investment</th>
<th></th>
<th>Education</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Count</td>
<td>upto 12th Std</td>
<td>Graduate</td>
</tr>
<tr>
<td>1</td>
<td>Up to 25 lakh</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Project Investment</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>2</td>
<td>26 to 50 lakh</td>
<td>0</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Project Investment</td>
<td>0.0%</td>
<td>62.5%</td>
</tr>
<tr>
<td>3</td>
<td>51 to 75 lakh</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Project Investment</td>
<td>50.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>4</td>
<td>76 lakh to 1 Crore.</td>
<td>0</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Project Investment</td>
<td>0.0%</td>
<td>71.4%</td>
</tr>
<tr>
<td>5</td>
<td>1 Crore. to 3 Crore.</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Project Investment</td>
<td>33.3%</td>
<td>33.3%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% within Project Investment</td>
<td>13.3%</td>
<td>43.3%</td>
</tr>
</tbody>
</table>
Graph shows that the relationship between the educational level of respondents and project investment of entrepreneurs. The graph shows that most of the entrepreneurs have completed graduation and Post-Graduation and having their investment in between 25 lakh to 3Crore and who have completed the technical education they invested only 25 lakh to 50 lakh.

### Chi-Square Test

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>df</th>
<th>Sig (2-Sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>22.299a</td>
<td>16</td>
<td>0.134</td>
</tr>
</tbody>
</table>
To examine the relationship between the educational qualification of respondents and their project investment. The Chi-square test has been used. The test is done by taking the below hypothesis as:

H0: The relationship between educational qualification of entrepreneurs and their project investment is not significant.

H1: The relationship between educational qualification of entrepreneurs and their project investment is significant.

The tabular value of “t” at 5% level of significance for 16 degree of freedom is (df ) = 26.29. The computed value of Chi-square test statistic is 22.299a, which is small than the table value of Chi-square test statistic with 26.29. Therefore, we can say that, the data not provides us sufficient evidence against null hypothesis, It means the alternative hypothesis is rejected at 5% percent level of significance with 16 degree freedom and accepted the Null hypothesis for these attributes. It means that there is not any relation between the project investment and the educational qualification of the respondents.

**Summing Up**

In Solapur M.I.D.C is developed in between South and North Solapur at Akkalkot Road. But the facilities which are provided is very poor. Initially this area was considered as Industrial area but now it is considered as a extension area of the city. So the facilities which are provided by the Municipal Corporation is not satisfactory. They are imposing high taxes on the goods. Even the water and electricity charges are very high. Which is hampering or discouraging the entrepreneurs. Now the people interested to set up their business at Chincholi M.I.D.C which come in Mohol Taluka. This M.I.D.C is also near from Solapur city i.e only 23 km’s which is more developed and all the infrastructural facilities provided in this area are very good. They are getting proper water, electricity, road, warehousing facilities, even the taxes are less compared to North Solapur.

Even there is co-operative Industrial Estates at Hotgi Road in Solapur which is well developed.

There are less industries in South Solapur compared to North Solapur. The whole Solapur city come under North Solapur, whereas outskirts of Solapur city i.e Mulegaon, Ulegaon, Kumbhari, Kurghot, Doddi, Gangewadi, Nandani, Vangi etc these villages come in South Solapur.
Textile and oil industries are more developed in North Solapur. Towel exporter are more in this area. The East part of Solapur city is popularly known as weavers area. Because maximum people in this area are engaged in weaving Chaddar and Towels, Sarees and Wall Hangings. The industries are scattered in South Solapur. There is no M.I.D.C specially developed in South Solapur.

Reference:
1. District Industrial Center (DIC) Register, Solapur.
5. www.investopedia.com
9. Questionnaire filled by the Consumers and Entrepreneurs.
CHAPTER-VI

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 SUMMARY OF FINDINGS

After observing and interacting with the entrepreneurs it is found that the objectives of present study are fulfilled, which are as below -

To find out dispersal of industries to all over small town and villages which are economically lagging in Solapur district. To find out this objective 30 entrepreneurs from 11 talukas and 200 consumers were selected. The selected enterprises producing different kinds of products. There are variety of products, which are consumable and ancillary in the small scale business i.e. edible products to engineering. North Solapur taluka consists of Solapur city. Hence, the percentage of the entrepreneurs was at highest par for North Solapur taluka, it was followed by Mohol taluka too. Even Barshi and Madha talukas are well developed. But still the development is less in Akkalkot, Malshiras and Pandharpur talukas. Karmala and Sangola talukas are comparatively better than these talukas. All talukas have either M.I.D.C. or Industrial Estates except Pandharpur and South Solapur.

Even it is observed that the entrepreneurs between the age group between 36 to 55 years are more i.e. 73.3 percent and in the age group of 26 to 35 are less i.e. only 6.7 percent. The majority entrepreneur are graduate and post graduate i.e. 63.3 percent, 16.7 percent have taken technical education, 13.3 percent are qualified upto 12th Standard and only 6.7 percent are in other category i.e. one entrepreneur is illiterate and another has completed 10th Standard which are exceptional.

It is noted that there are 93.3 percent male entrepreneurs and only 6.7 percent female entrepreneurs. The majority entrepreneurs i.e. 93.3 percent have experience of more than 5 years and very few i.e. 6.7 percent have less than 5 years experience. Majority entrepreneurs have entered in manufacturing business by self interest and qualifications, whereas some have entered inheritably. It is found that 23.3 percent entrepreneurs receive the annual income upto Rs. 5 lakh, 16.7 percent gets more than Rs. 5 lakh, 20 percent entrepreneurs gets the income upto 2 lakh, the percentage is
same in the range between Rs. 3 lakh and Rs. 4 lakh i.e. 13.3 percent. Only 10 percent entrepreneurs gets upto Rs. 1 lakh.

Almost 90 percent entrepreneurs responded that they use both the technique i.e. labour and capital incentive in the production, whereas 3.3 percent each responded that they are using labour intensive, capital intensive and knowledge based technology for the production. The project investment varies from Rs. 25 lakh to Rs. 3 crore. The annual turnover is not same for all kind of production. It is seen that 76.7 percent entrepreneurs were using newly improved manufacturing process and 23.3 percent are not using new techniques.

It is observed that 66.7 percent entrepreneurs are producing industrial products and only 10 percent are producing consumable as well as Industrial products. The nature of product is innovative, improved and initiative. 83.3 percent entrepreneurs responded that they are getting normal profit, 4 percent responded that they receive low profit and only 3.3 percent responded that they are getting high profit.

In Solapur district 56.7 percent entrepreneurs are facing production problems and 43.3 percent entrepreneurs said they do not have any production problems. Majority i.e. 96.7 percent entrepreneurs purchase the raw materials locally, within district and only 3.3 percent from other state. 86.7 percent entrepreneurs responded that they receive adequate supply of raw material and 13.3 percent entrepreneurs responded that they do not receive adequate supply of raw material. The raw material is purchased directly i.e. 66.7 percent by the entrepreneurs. 30 percent entrepreneurs purchases through broker and only 3.3 percent purchase through salesman.

In the small scale industries in Solapur district 56.7 percent industries have Quality Control department and 43.3 percent industries do not have Quality Control department. While purchasing the raw material 73.3 percent entrepreneurs are not facing any problems. But 26.7 percent entrepreneurs are facing difficulties like inferior quality, price fluctuation, irregular supply etc. It is found that 46.7 percent industries are proprietary type, 30 percent are in partnership and 23.3 percent are in private hands.
Almost 66.7 percent industries are self managed, 26.7 percent are controlled by managers, supervisor or accountant and only 6.7 percent industry has Managing Directors. 80 percent entrepreneurs takes help from the family members, whereas 20 percent do not take family members help. It is found that 46.7 percent entrepreneur have appointed Sales Executive for their firm and 53.3 percent entrepreneurs did not appointed Sales Executive for their firm. Even 20 percent industries have appointed Purchase Officer and 80 percent industries do not need to appoint Purchase Officer. 93.3 percent entrepreneurs are managing the whole industry alone.

To study large scale employment opportunities created by Small Scale Entrepreneurs in Solapur district. This objective is observed by taking survey. It is found that almost 73.3 percent entrepreneurs involves workers in decision making and 26.7 percent do not involve the workers in decision making. The recruitment of employees are done by taking interview i.e. 20 percent, with experience 23.3 percent, with personal relationship 16.7 percent, with technical knowledge 6.7 percent and 30 percent workers are selected with experience, personal relationship or with technical knowledge.

The industries under survey, it is seen that 73.3 percent industries have male workers between 1 to 10 persons, 13.3 percent industries have 11 to 20 persons, 6.7 percent industries have 21 to 30 persons and 6.6 percent industries have 41 to 50 and more than 51 persons. Even it is found that only 60 percent industries have female workers i.e. 40 percent industries have upto 5 female workers, 16.7 percent industries have 6 to 10 female workers and 3.3 percent industries have more than 16 female workers. Generally these industries are leather products and printing and packaging industries.

The relationship between employer and employees is good i.e. 60 percent and 33.3 percent have very good relationship, only 6.7 percent have limited relationship. It is observed that 86.7 percent entrepreneurs are giving incentives to their employees and 13.3 percent entrepreneurs do not give any kind of incentive to their employees.

To examine Govt. policy for the development of Small Scale enterprises. This objective was studied by asking question regarding the Govt. rules and policy for the entrepreneurs. It is seen that 76.7 percent entrepreneurs are paying wages as per
Minimum Wage Act policy, 20 percent pays higher than Minimum Wage Act. 60 percent entrepreneurs have taken labour insurance policy and 40 percent entrepreneurs have not taken insurance policy of the workers. 90 percent entrepreneurs are providing health and safety facilities to the workers and 10 percent are not providing any facility.

40 percent entrepreneurs responded that they have taken land facility from the Govt. and 60 percent did not take any facility from the Govt. Even it is seen that 26.7 percent entrepreneurs received Tax benefit from Govt. initially upto 7 years, and 73.3 percent entrepreneurs did not received any Tax benefit from the Govt. Only 33.3 percent entrepreneurs has taken loan from Govt. and 66.7 percent entrepreneurs did not take loan facility from the Govt. 60 percent entrepreneurs responded that the Govt. policies are helpful for industries.

To study the various problems of entrepreneurs in the small scale business in Solapur district. In this objective it is found that 73.3 percent entrepreneurs are facing labour problems due to absenteeism, non-availability of skilled labour and 26.7 percent entrepreneurs are not facing any labour problem.

It is observed that 46.7 percent entrepreneurs are under utilization of capacity of the industry due to non-availability of skilled labour, power shortage, lack of working capital, lack of order, machinery break-down, shortage of raw material in off seasons, robbery of raw materials etc. Almost 50 percent entrepreneurs are facing transportation problems in Solapur district.

6.2 CONCLUSIONS

Main conclusions of the present work are as under:

1) The small scale industries are developing with increasing number in North Solapur and Mohol talukas.

2) The majority of the sampled respondants are in the age group of 36 to 55 years. It means that they are mature enough and well experienced. They gained experience in other industries before setting up their own business.
3) Majority entrepreneurs are well educated and it is good sign that educated people are attracted to the industrial sector rather than service.

4) Female entrepreneurs are comparatively involved less in manufacturing business than male entrepreneurs. Because there is more risk and uncertainty in manufacturing business and they are financially weak. So, female entrepreneurs prefer service sector rather than manufacturing sector.

5) It is found that majority entrepreneurs have taken experience in the manufacturing business by their friend, relatives or family members.

6) Family environment is more important in the Indian Social System. In India some castes have their predominance in business. In Solapur district the textile industries and oil mills are ran by a particularly community like Telgu Sali and Lingayat Teli. But, now apart from this some industries are developed by the entrepreneurs with self interest and qualification.

7) There is difference in the annual income of the entrepreneurs, with the difference in the type of production. But all the entrepreneurs are satisfied with the income which they receive.

8) The production is done not only with labour intensive or capital intensive method but also with knowledge based technology like Solar electronic equipments which is also known as ‘Green Technology’.

9) The maximum entrepreneurs of small scale industries have made total investment between 25 lakh to 1 crore rupees in Solapur District.

10) There is no similarity in the turnover between the different products manufacturing in the Solapur district due to limited marketing.

11) There are consumable as well as ancillary industries more in small scale business.
12) There were variety of products which are produced in small scale business because the market pattern is changing with the liking of the people due to increase in an income and Globalization.

13) Generally it is seen that majority entrepreneurs are getting normal profit in the business and very few are getting high profit.

14) In Solapur district some entrepreneurs are facing production problems due to lack of finance, labour problems, road and transportation, etc. Labour are not dependent on the current job only. They have alternative sources of earning. Hence, the absenteeism is more in Solapur district.

15) The raw material which is needed for the small scale business is sufficiently available from other state and districts as well as locally too. Robbery of raw materials is the big problem for the entrepreneurs.

16) The availability of raw material is not same for all the industries. Some industries like groundnut oil and leather industries are facing problems in receiving it, due to price fluctuations.

17) Generally the purchase of raw materials is done directly from the seller.

18) More small scale industries have Quality Control Department in their firm.

19) In Solapur majority small scale industries are in private or proprietary ownership type and in partnership.

20) Majority small scale industries are run by self management and with the help from the family members in Solapur District.

21) It is found that entrepreneurs involve their employees in decision-making regarding the business. It is good sign of progress.

22) There were more male trained employees in small scale business compared to female trained employees. Because the industrial centres are far away from the main city or place where they stay and it is inconvenient to go.
23) Entrepreneurs have good and very good relationship with the employees in the small scale business due to limited number of employees.

24) Maximum entrepreneurs give incentives to their employees once in a year at the time of Dassara and Diwali, in the form of bonus, cash or in other way i.e. by giving edibles and clothes.

25) In Solapur district majority entrepreneurs are following Minimum Wage Act policy of the Government.

26) It is found that majority employees get the training within the industry i.e. while doing the work. Some of the workers have taken training from I.T.I. (Industrial Training Institute). But there is very few employees with having Bachelor degree of Engineering because these people are not getting proper salary in Solapur district. Hence they move to Pune or Mumbai and other states for securing jobs on high payment.

27) In small scale industries maximum entrepreneurs are providing Health and Safety facility to the workers, e.g. regular health check-up camps, providing primary safety devices like first-aid, helmets, goggles, masks, aprons etc.

28) The maximum labour problem is faced in North Solapur Industries and Chincholi M.I.D.C., Mohol because these industries are located near from city, so the worker have more job opportunities. But the remaining talukas are located in less developed areas. Hence, the entrepreneurs are not facing any labour problems.

29) The products from Small scale industries of Solapur district are sold in local, regional and international markets. Especially the terri-towels and napkins, casting of piston, Tamarind powder which is used to make cosmetics are exported to other countries like America, Australia, Germany. Even products like P.V.C. Pipes, ropes, cable wires, aluminum utensils, paper rolls, sewing machine etc. were sold in other states like Karnataka, Haryana, Goa and within Maharashtra too.
30) In Solapur district majority small scale entrepreneurs are fulfilling the needs of consumers on local and regional level. And very few entrepreneurs are the exporters of textile products and engineering goods which have ISO 9000 Certification.

31) Maximum product from small scale industries are sold by advertisement, salesmen, personal contacts to the consumers.

32) Entrepreneurs are adopting cost plus or standard pricing policy for the products in small scale business.

33) It is found that small scale industrial products are sold in the market through wholesalers, retailers and agents, whereas some products are manufactured by taking contracts with other industries e.g. chemicals and leather products.

34) It is observed that some entrepreneurs have taken only land facility and tax concession facility from the Govt. But very few entrepreneurs have taken financial facility due to its complicated and time consuming procedure. Even the entrepreneurs face a lot of problems of non-availability of timely and adequate credit at reasonable rate of interest.

35) At present there are almost 10 to 12 types of taxes imposed on entrepreneurs in Solapur City (North Solapur taluka) i.e. sales tax, professional tax, VAT, LBT, Property tax, etc. which is hampering growth of industrial development. The rules and conditions are more for Food & Beverage Industries. For industries it is compulsory to take the permission from Weight & Measurement Department, Bureau of Indian Standard (B.I.S.) certification, Food & Drug Department permission, Labour Officers, etc.

36) The maximum entrepreneurs from all the talukas were covered by insurance policy.

37) It is found that majority entrepreneurs have invested their own capital/money in the business at a initial stage. Even these entrepreneurs
are taking loans from a Co-operative Banks rather than the Nationalised Banks. Because the loan are not sanctioned easily by Nationalised Banks and even the procedure is complicated and time consuming.

38) There were 50 per cent entrepreneurs, who were not satisfied by the Govt. policies and most of them are from North Solapur i.e. Solapur city because there is malpractice and red-tape while sanctioning the industrial plot and electricity connections/meter. Even banks are not providing loans to newly entered entrepreneurs as per their requirement. Hence, the entrepreneurs feel that the policies are good only on the paper, not in practice.

39) Some industries are not using full capacity of the plant due to non-availability of skilled labour, power shortage, lack of working capital, lack of order, machinery breakdown, shortage of raw material etc. The majority industries from North Solapur and Chincholi M.I.D.C., Mohol are facing these problems.

40) There is good road connectivity from rural to urban areas in Solapur district. But it is seen that in North Solapur i.e. Akkalkot Road M.I.D.C. has very bad condition of roads within the industrial area.

6.3 RECOMMENDATIONS

Some suggestions are given for the entrepreneurial development of Solapur District. These measures can solve the problems of the entrepreneurs and will make it enable to improve the condition of Solapur District.

1) There is wide scope to develop these industries in the remaining talukas like Mangalwedha, Malshiras, Akkalkot and Karmala.

2) If the age group is brought to 30-45 years, it will be very productive for the society as the energy level is very high and job opportunities can be increased.
3) With the proper education skills and knowledge, the resources can be utilized optimally and so the proper training of using capital is necessary to the entrepreneurs.

4) Yet, the Indian culture is male dominant, female takes back seat in the decision making in any kind of work. Hence, it is necessary to change the mindset of the people and making women financially and morally strong.

5) Before starting the business it is very important to have some experience, so that the contingency can be faced easily by the entrepreneurs.

6) With the changing scenario the percentage of women entrepreneurs should be increased because now social situation has been changed. Girls are taking education and they have become conscious about their future progress. Hence, Govt. should take initiative to start BBA and MBA Colleges in the District.

7) The economy can develop rapidly by the job creators than the job seeker. Hence, Government should create healthy atmosphere to attract educated unemployed to increase the entrepreneurial development of Solapur district which will help to improve the standard of living of the people.

8) While producing the commodities new technology machinery reduces the cost of production. The new machinery should be used instead of old machinery which consumes less electricity. Hence, Government should provide incentives to purchase new machinery.

9) As the investment is not huge in Small Scale Industry, the successful entrepreneurs from Micro industries should come forward and enter in small scale industry.

10) To increase the turnover entrepreneurs should give more emphasis on marketing in different areas or regions.

11) As small scale industries are core industries for Medium and Large industries, even it can satisfy all wants of consumers. There is wide scope for the production in this sector to the new entrepreneurs.
12) With the innovative ideas and improved techniques the small scale entrepreneurs can capture the market for his products.

13) Indian people belong to middle class for which it is necessary to keep the price normal otherwise entrepreneurs will have to face tough competition from the competitors for the same products.


15) Availability of raw material within the district or locally will reduce the cost of production.

16) Govt. should try to keep control on the prices of raw materials which are needed for the small scale industries.

17) Less interference of broker or salesmen reduce the cost. Hence, it is always better to purchase in bulk directly from the seller of raw materials. Fortunately it is followed by the entrepreneurs in Solapur District.

18) It is necessary to keep Quality Control Department in the industry, because it increases the standard and scale of that product, and makes it enable to compete with other products.

19) Becoming own boss is always encouraging thing to the entrepreneurs.
20) Personal efforts always give good returns in any kind of business, so it is necessary to run own business with self management i.e. alone or with the help from family members.

21) Involvement of employees in the decision making of the industry results in making more production and profits to the entrepreneurs because even with the experience in that particular work for many years gives the idea of profit and loss.

22) The entrepreneurs should provide transportation facility like van, bus, jeep for the workers or the Municipal Corporation’s bus service to the industrial centers, which will make convenience to the employees.

23) Obviously, the good relationship with the employees keeps peace and harmony in the business. In return the production will also increase continuously.

24) Paying incentive encourage the employees to work hard by offering them the reward for extra work in terms of money.

25) Standard of living and income or wage level are closely inter connected which shows the amount of earning at a given time and the satisfaction obtained by fixing minimum wages.

26) Entrepreneurs should pay proper salary to the employees according to their skill and qualification. So that it is possible to get more skilled and knowledgeable employees within the district. It will help to achieve ‘Brain gain from Brain Drain’ and enhancing the development of Solapur district.

27) Medical and health care facilities for industrial workers form an integral part of labour welfare program. This not only provides protection against sickness but also ensures availability of a physically fit and stable manpower for economic development.
28) Instead of accumulating industries in developed talukas, if the industries were brought in less developed areas it will help to reduce labour problems.

29) For the growth of small scale industries in Solapur District it is necessary to provide more financial assistance from Maharashtra State Finance Corporation (M.S.F.C.) which will enable the small scale entrepreneurs to increase exports.

30) For the exporter of textile products, it is important to establish Cluster Development unit in the district, which will help to all textile related entrepreneurs to enhance their products and the work is ongoing in Solapur District.

31) Advertisement and salesmen are the two good promoters of the products. It gives idea of the new products launched in the market.

32) Textile Hosiery and PVC products have tough competition from other states. Hence it is necessary to keep standard pricing policy.

33) Even there is wide scope for manufacturing by taking sub-contracts from big business or industries fro e.g. Engineering Products.

34) Banks should provide loans on the need basis even if, they sanction the loan at 20% of projected realistic annual turnover basis with a good financial position to the entrepreneur.

35) For the Industrial Development of the region like Solapur district, the State and Local Govt. should not impose more tax burden on entrepreneurs; in fact Govt. should give tax relaxation even to the entrepreneurs from the city along with the rural areas.

36) To avoid risk in the industry, it is better to take insurance policy for every entrepreneur.
37) Sufficient loan amount free from lengthy procedure at a low rate of interest ought to be made available to the entrepreneurs to set up the industries in rural areas.

38) Government should take strict action against the malpractice and red-tape which is hampering the growth and development of the economy.

39) The dispersal of industries will reduce the under utilization problems, like non availability of skilled labour, power shortage, water storage etc.

40) Solapur Municipal Corporation should take initiative to improve the road in M.I.D.C. Even timely, proper water supply and electricity supply should be given so that, the development of Solapur district will not hamper.

**SUMMING UP**

In short, we can say that from the survey of Small Scale entrepreneurs from Solapur district, it is a most important sector to increase the number of entrepreneurs in Solapur district. It provides commodities at a reasonable price, with good quality, according to the demand of consumers in present situation. Still there is lot of scope in this sector to set-up industries in less developed areas like Akkalkot, Mangalwedha, Malshiras talukas. Even there is proposal to develop M.I.D.C. at Boramani in South Solapur. The Govt. should provide seed capital at the initial stage of starting the business/industry. Hence, it will help to the upcoming entrepreneurs to involve in this sector. Even with sound financial assistance the small scale entrepreneurs can compete with the products from other countries. However without giving any advertisement the products from small scale industries has reached in the hearts of a common man. If the State Govt. and local Govt. will give more attention towards the small scale entrepreneurs from Solapur district obviously, this sector will bring drastic change in the development of the district and the standard of living of common man.
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An Empirical Study of Small Scale Entrepreneurs in Solapur District.

Researcher : Sangita K. Nadkarni
Guide : Dr. Anil B. Suryawanshi

Questionnaire

Entrepreneurs Reaction

A) Personal Information

1) Name ____________________________________________ __________________

2) Address:_________________________________________ ___________________

3) Mobile:__________________________________________ ___________________
   Email:__________________________________________ ____________________

4) Manufacturing & Location:___________________________________________

5) Age Group : _______________________
   i)  upto 25 years
   ii) 26 to 35 years
   iii) 36 to 45 years
   iv) 46 to 55 years
   v) 55 and above

6) Qualification :
   i)  upto 12$^{th}$ Std.
   ii) Graduate
   iii) Post Graduate
   iv) Technical
   v) Other

7) Gender :
   i)  Male
   ii) Female

8) Experience in the Business
   i) Less than 1 year
   ii) 1 to 3 years
   iii) 3 to 5 years
   iv) More than 5 years
9) Encouraged by, to choose this Business
   i) Inherited
   ii) Friend
   iii) Relative
   iv) Self interest and qualification

10) Annual Income
   i) upto 1 lakh
   ii) upto 2 lakh
   iii) upto 3 lakh
   iv) upto 4 lakh
   v) upto 5 lakh
   vi) more than 5 lakh

B) Particular of Production
11) Technique of Production
   i) Hand / Labour intensive
   ii) Machine / Capital intensive
   iii) Both labour and capital

12) Total Project Investment
   i) upto 25 lakhs
   ii) 25 to 50 lakhs
   iii) 50 to 75 lakhs
   iv) 75 lakhs to 1 Crore
   v) 1 Crore to 3 Crores
   vi) More than 3 Crores

13) Total Annual Turnover __________________________

14) Did you used any new or improved manufacturing processes in your business / unit.
   i) Yes [ ] ii) No [ ]
   If yes, mention the process

15) Your product line
   i) Industrial Product
   ii) Consumer Product
   iii) Any other
16) Nature of Product
   i) Innovative
   ii) Improved
   iii) Initiative

17) Profit margin of the firm
   i) Very high
   ii) High
   iii) Normal
   iv) Low

18) Do you face any production problem?
   i) Yes ii) No

C) Particulars of Raw Materials.

19) From where do you procure the raw material mention the sources-
   i) Local
   ii) District
   iii) Other state
   iv) Other Countries

20) Do you get adequate supply of raw material?
   i) Yes ii) No

   If no, state the reason

21) How do you purchase the raw material?
   i) Directly
   ii) Through Broker
   iii) Any other way

22) Is there any quality control department in your firm
   i) Yes ii) No

23) With regard to raw materials do you face any problem
   i) Yes ii) No

   If yes, specify the problems
i) Inadequate supply
ii) Inferior quality
iii) Price fluctuation
iv) Irregular supply
v) High price

24) Which solution did you adopt-

___________________________________________________

___________________________________________________

D) Management of the unit

25) Ownership pattern of Industry

i) Private
ii) Partnership
iii) Cooperative
iv) Proprietary

26) Management structure of your unit

___________________________________________________

___________________________________________________

27) Do you take help from the family members?

i) Yes      ii) No

28) Which are the different departments in your industry?

___________________________________________________

___________________________________________________

29) Did you appoint any sales executive for the firm?

i) Yes      ii) No

30) Do you have purchase officer in the Industry?

i) Yes      ii) No

31) Are you managing the whole industry alone?

i) Yes      ii) No

32) Do you involve workers in decision-making?

i) Yes      ii) No
E) personnel Management

33) Recruitment of employees
   i) By taking interview
   ii) With experience
   iii) With technical knowledge
   iv) Personal relationship
   v) Political pressure
   vi) Other

34) No. of trained employees
   i) Total Male   ii) Total Female
   out of which are sent for training
   i) Male   ii) Female

35) Relationship between employer and employees.
   i) Very good
   ii) Good
   iii) Limited
   iv) Very close

36) Do you pay incentive to your employees?
   i) Yes   ii) No
   If yes, specify __________________________________________
   i) Cash
   ii) Bonus
   iii) Out of turn promotion
   iv) Any other

37) Wage system followed by the firm
   i) As per minimum wage act
   ii) Lower than minimum wage act
   iii) Higher than minimum wage act
   iv) Not applicable

38) How are you providing training facility to labours
   i) within the industry
   ii) Outside at a training centre
39) Did you take any Labour Insurance policy?
   i) Yes    ii) No

40) Do you provide health and safety facilities to the employees?
   i) Yes    ii) No

41) Do you spend on Research and Development (R & D) purpose.
   i) Yes    ii) No
   If yes, mention the amount per year______________________________

42) Do you face any labour problem?
   i) Yes    ii) No
   If yes, give details_____________________________________
   i) High labour cost
   ii) Non – availability of skilled labour
   iii) Non – availability of unskilled labour
   iv) Absenteeism
   v) Inadequate training facility
   vi) Any other

F) Marketing of product.

43) Network of marketing
   i) Local
   ii) Regional
   iii) National
   iv) International

44) Do you export the products?
   i) Yes    ii) No

45) Export value in Rupees.
   i) upto Rs. 5 lakhs
   ii) Rs. 5 to 10 lakhs
   iii) Rs. 10 to 15 lakhs
   iv) Rs. 15 to 20 lakhs
   v) More than Rs. 20 lakhs
46) Method used for promotion of the product.
   i) Advertising
   ii) Sales men
   iii) Personal contact
   iv) Any other

47) Pricing policy of the industry?
   i) Cost Plus
   ii) Actual Cost
   iii) Expected Cost
   iv) Standard Cost

48) Distributors of your product-
   i) Wholesalers
   ii) Retailers
   iii) Agents
   iv) Any other

G) Government policies for Entrepreneurs

49) Facilities provided by the state or central Govt.
   i) Raw materials
   ii) Finance
   iii) Land
   iv) Marketing
   v) Storage facility
   vi) Training centre

50) Do you get any Tax saving benefit through Govt.?
   i) Yes
   ii) No

51) Is your industry insured?
   i) Yes
   ii) No

52) Do you get concessional Loan facility?
   i) Yes
   ii) No

53) Whether the Govt. Policies are helpful for the Industry?
   i) Yes
   ii) No

If no, give reason ____________________________________
54) Can you utilize the full capacity of the Industry?
   i) Yes [ ] ii) No [ ]
55) Reasons for under – utilization of the capacity-
   i) Availability of skilled labour [ ]
   ii) Machinery breakdown [ ]
   iii) Power shortage [ ]
   iv) Shortage of raw material [ ]
   v) Lack of working capital [ ]
   vi) Lack of order [ ]
56) Do you face any of the problem in transportation
   i) Poor road facility [ ]
   ii) High transportation cost [ ]
   iii) Less vehicle availability [ ]
   iv) Any other [ ]
57) General problems faced by your unit
   _____________________________________________________________
   _____________________________________________________________
58) General Suggestion if any
   _____________________________________________________________
   _____________________________________________________________

Date:          /          /2014
Place:          Name_____________________

Signature____________________
An Empirical Study of Small Scale Entrepreneurs in Solapur District.

Researcher : Sangita K. Nadkarni
Guide : Dr. Anil B. Suryawanshi

Questionnaire

Consumers reaction

Personal Information
1) Name : ________________________________________________________________
2) Address : ______________________________________________________________
3) Mobile : ________________________________________________________________
   Email : ________________________________________________________________
4) Product Purchased: _______________________________________________________
5) Age Group : ______________________
   i) upto 25 years
   ii) 26 to 35 years
   iii) 36 to 45 years
   iv) 46 to 55 years
   v) 55 and above
6) Qualification :
   i) upto 12th Std.
   ii) Graduate
   iii) Post Graduate
   iv) Technical
   v) Other
7) Gender :
   i) Male
   ii) Female
8) What in your opinion regarding the quality of product ?
   i) Very good
   ii) Good
   iii) Satisfactory
   iv) Poor
9) The price of the product is –
   i) High
   ii) Very high
   iii) reasonable
   iv) Normal

10) Availability of the product is –
   i) Satisfactory
   ii) Dissatisfactory

11) Do you face any difficulty while getting delivery of the product ?
   i) Yes    ii) No

12) Do you get supply according to your demand?
   i) Yes    ii) No

13) What is your opinion regarding the variety of the product ?
   i) Available
   ii) Not available
   iii) Not necessary
   iv) Other

14) Are you happy with the services provided by the Industry?
   i) Yes    ii) No

15) What is your opinion regarding the salesmanship
   i) Good
   ii) Very good
   iii) Not good
   iv) Satisfactory

16) Do you face any problem in purchasing?
   i) Yes    ii) No

17) What solution you will suggest _____________________________________

Date :      /      /2014    Name___________________ ______
Place :