Entrepreneurship is the fundamental force that shapes the economic landscape of societies. When people try out new farm practices or new crops, the economy is
agrarian–oriented. When manufacturing of different product or processing with the state of the art technology is undertaken, the economy enters the industrialization stage. Professional entrepreneurship comes along with the emergence of knowledge society.

The significant role entrepreneurship cannot be exaggerated. Many studies have underlined its special importance in the context of industrialization of developing countries. D.S. Landes (1949)\textsuperscript{i}; F.Harbison (1956)\textsuperscript{ii}; A.O.Hirschman (1958)\textsuperscript{iii}; J.J.Berna (1960)\textsuperscript{iv}; Alexander Gerschenkron (1962)\textsuperscript{v}; B.F. Hoselitz et.al. (1963)\textsuperscript{vi}; Yale Brozen (1964)\textsuperscript{vii}; E.E.Hagen (1968)\textsuperscript{viii}; W.J.Baumol (1968)\textsuperscript{ix}; Harris (1971); Peter Kilby (1971)\textsuperscript{x} and I.M.Kirzner (1978)\textsuperscript{xi}. In the under developed societies, entrepreneurship remains confined to a select traditionally dominant communities and groups; new entrepreneurs generally do not emerge from a wider cross section of the society. Further, the new entrepreneurs encounter problems arising out of the institutional set-up, political climate, implementation of policies concerning raw material, sales tax and labour legislations, value orientation of entrepreneurs towards the nation and their families, competition between small and big entrepreneurs and the level of economic development.

It has been argued by many economists that government in a developing country has a responsibility to nurture and develop entrepreneurship either because the private sector does not have the necessary strength or because it lacks the willingness to enter
certain segments of development. If provision of infra-structural facilities and other inducements by the government can act as catalytic force for the emergence of new entrepreneurs, it is not only worth undertaking but a prime necessity for achieving rapid economic development. According to Brimmer (1955) such action by the government is perfectly consistent with Schumpeter’s theory of economy development. He feels that analytically it is of no consequence whether the innovation in small or large. All that is needed, according to him, is that there should be a disturbance in the circular flow; such disturbance can be created with the help of government assistance.

1.1 ETYMOLOGY

The origin and meaning of the word ‘entrepreneur’ can be traced to the French Word ‘entreprendre’ that means a “go-between” or contractor. Charles Chow (2006) xii.

The German word ‘unternehmen’ means to ‘undertake’, to carry out new combinations of activities, entrepreneur is the director of a public musical institution, organization of entertainment. (The Oxford English Dictionary, (1897) xiii.

The term entrepreneur was used for architects and contractors of public works. Bert F. Hoselite (1951) xiv

“Anybody who undertakes an economic activity translating a profitable idea into a productive activity may be termed as entrepreneur”. Richard Cantillon, (1755) xv.
Throughout the sixteenth and seventeenth centuries, the most frequent usage of the term denoted a government contractor, usually military fortifications or public works. Later, among the Physiocrats, Quesnay referred to entrepreneur as an operator of a large firm who guides and turns to his account, his enterprise by his intelligence and his wealth\textsuperscript{xvi}.

J.B. Say and David Ricardo did not distinguish the functions of entrepreneur from a capitalist or manager. Ricardo failed to recognize the entrepreneur as a separate agent of production and Jeremy Bentham was the one who virtually emphasized entrepreneur as an agent of economic progress and regarded entrepreneur as an independent contractor who purchased through competitive bid, the right to run the prison. It is J.S. Mill who brought the term entrepreneur into general use among the English Economists and he held that the business man receives what he called ‘wages of superintendence’ which is a return for his special skill and ability as a manager.

Among the neo-classical economists, Marshall (1961)\textsuperscript{xvii} held a comprehensive view of an entrepreneur and defined entrepreneurs as one who, adventures or undertakes risks; bring together the labour and capital required for the work; arranges or engineers the general plan and superintend the minor details.

J.M. Keynes (1964)\textsuperscript{xviii} placed entrepreneurs in the role of decision maker with the industrial firm and his function is to fix the amount of employment at that level which is
expected to maximize the excess of proceeds over the factor costs. He is chiefly responsible to make investment decisions and as an active factor of production, he must face uncertainty in his ability to forecast the effective demand.

An Austrian economist Wieser (1927)\textsuperscript{xix} had a broader view of entrepreneurship and defined entrepreneur as a person who supplies not only the necessary capital but originates the idea, elaborates and puts into operation the plan and engages collaborators.

Leon Walras (1965)\textsuperscript{xix} who defined entrepreneur according to the function he performs observed that entrepreneur is a hiring agent and entrepreneurship is not itself a factor of production, but rather a function that can be carried on by any agent, say the capitalist or salaried manager.

F.H.Knight (1921)\textsuperscript{xxi} offered a new refinement of Cantillon’s conception of entrepreneurship. According to him, entrepreneur’s function is to direct economic activity which involves considerable risk and uncertainty. They are the producers, while the great mass of population furnished them with productive services, placing their persons and their properties at the disposal of this class.

A revolutionary conception of entrepreneurship came with J.A.Schumpeter (1961)\textsuperscript{xxi} who gave the central role to entrepreneurs in the process of economic
development and defined entrepreneurs as one who carries innovation under conditions of uncertainty and unpredictability.

The modern views on entrepreneurship started with the Harvard School. Among the Harvard economists, A.H.Cole (1946)xxiii defined entrepreneurship as a purposeful activity of an individual or group of individuals, undertaken to initiate, maintain or aggrandize, a profit-oriented business and services.

One of the Neo-Austrian economists, Von Mises (1949)xxiv observed that the entrepreneurial action and its outcome are always uncertain and he referred to the entrepreneur as an active man exclusively seen from the aspects of uncertainty inherent in every action. So, in a dynamic economy, every one becomes an entrepreneur in so far as he takes risks and bears uncertainty. Labourers are entrepreneurs in so far as wages are determined by uncertain market activities.

I.M. Kirzner (1978)xxv held that an entrepreneur’s role is to achieve the kind of adjustment necessary to move economic markets toward the equilibrium state.

Thus, several of these economists gave differential emphasis with subtle variations in the connotations of the term entrepreneurship. As these are only differences in emphasis, one cannot consider their concepts as mutually exclusive. Naturally, as the functions of entrepreneurs got diversified over the period, the conceptual formation also underwent changes.
1.2 ENTREPRENEURS IN TERMS OF MOTIVATION

Entrepreneurs are those who possess the drive and imagination to breakthrough traditional barriers, to overcome social inertia and to transform the economic life of the people.

Entrepreneurs are usually those who do not follow the mainstream and yet become successful. Successful entrepreneurs implement their ‘convictions’ and turn dreams into reality.

Entrepreneurial motivation is a commitment to certain ends. The activity of entrepreneurs is the means to the end excellence. His motivation may be to excel the standard of performance set by others or to excel his own performance against his past record.

“The successful entrepreneurs are generally higher achieving people” David C. McClelland, (1961). Achievement motivation refers not to desire to attain great position or fame, but to pleasure in solving problem.

The spirit of modern capitalism originated in the ancient and not in the orient culture, due to the protestant ethic for everyday economic conduct such as hard work, devotion to work, honest, trust worthiness, austerity and frugality which are “this – worldly”. Max Weber maintained that the driving entrepreneurial energies were

“Most successful entrepreneurs create the business and continue to focus on creativity” Roger Hamilton, (2005)xxviii. They pay themselves first. Entrepreneurial motivation is the spirit that has influence on others.

1.3 ENTREPRENEURS IN TERMS OF FUNCTIONS

“Entrepreneur is one who takes initiative, plans, formulates policy regarding quantity and quality of product and starts his own, new, small firm”. Mohan. R., (1996)xxix.

“In under developed economy virtually any kind of activity is entrepreneurial” Sharma, R.A., (1980) xxx.

“The entrepreneur grows with his organization” (Yale Brozen)xxxii. The entrepreneurial function would change with the different stages of a firm shown as “survival, consolidation, and expansion stage.” Peter M. Chisnall, (1987)xxxii.

Entrepreneur is one who buys factor services at “certain prices” and sells his product at “uncertain prices” thereby bearing a non-insurable risk called uncertainty, (Richard Cantillon,)xxxiii.

“Entrepreneurs not only co-ordinate and reorganize the elements of production, but also ‘energize’ the productive forces. Innovation is the term most commonly given

1.4 ENTREPRENEURSHIP

Entrepreneur is the person, whereas entrepreneurship is the practice or purposeful activities. “The whole point of entrepreneurship is to get around or circumvent problem that others find impassable”. Brigitte Berger, (1991)xxxvi.


“Entrepreneurship is the complex interpenetration of two distinct set of force, one is the external structural determinants and the other is the entrepreneurial autonomy – the quality of individualism, his social conditioning and the entrepreneur’s propensity to exploit structural opportunities” Brigitte Berger, (1991)xxxviii.

The emphasis in entrepreneurship is on smart decision-making at the appropriate time, entrepreneurship involves the foreseeing of investment opportunity and investing of time, capital and energy in economically significant pursuits.

“Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity and mobilizing resources necessary to bring a project to fruition”. John Kao (1984)xxxix.
The entrepreneurial activity is equated with the formation of new firm. The firms are time-binding input-transforming entities. They complete the input into a finished product. “Entrepreneurship does the gap-filling function, that of making up the market deficiencies” (Harvey Leibenstein). The market-driven entrepreneurship is actually conditioned by field experience, informal learning of the society and being immutably connected with the customer. “Industry is a customer satisfying process, not a goods producing process” (Theodore Levitt) Entrepreneurship can also be learned through basking, or getting the experience by being closely associated with the business expert.

Entrepreneurship is not only a matter of opening one’s eyes of switching on one’s attentiveness, but also to persuade others to join in such action. Entrepreneurship is not just doing it all on one’s own. It is doing it along with the other people, the team spirit. Motivating a team of employees and “getting things done” (Schumpeter) is an essential aspect of entrepreneurship. Delegation is identifying the right person for the right job and assigning the task.

Delegation as an element of entrepreneurship has different degrees. It is called associating with the Research and Development expert or planner. It is called directing the things to do to the problem workers. It is called not overseeing the most valuable performers. It is called seducting to the sales force. Entrepreneurs must understand when their talents and abilities fit the situation and when they don’t fit. They must be smart enough to move on.
Entrepreneurship is concerned with the management of Men, Money, Machine, Markets, Methods, Material, Maintenance and Modernisation. It is also related to the management of business process to produce an overall positive impact on society, the alignment of business operations with social values. It is called the corporate social responsibility of maintaining environmental and labour standards.

1.5 THEORETICAL FRAMEWORK

Entrepreneurship is basically the motivation of entrepreneur, attitude and values driving the motivation. The following conceptual model is the modified and abridged version of Akhouri – Mishra model. Akhouri, MMP., et.al. (1990).
Entrepreneurship is nothing but the invisible entrepreneurial ability like the large animal Heffalump hunted by some individuals, but all unable to capture it. Peter Kilby, (1971)\textsuperscript{xli}. They are the values and attitudes of entrepreneurs. But the motivation is environment-oriented. Environmental change provide the necessary base for entrepreneurial ability.

Achieving perseverance, Break-through interest and calculated risk-taking are personality traits of entrepreneurship. Certainly, the desire to do something new sparks innovation and entrepreneurship, But what is also needed is the “opportunity environment” to translate that desire into action. In other words, the innovation environment is critical to entrepreneurial activity.

Externality plays more significant role than personality in entrepreneurship. Externality is the socio-cultural politico-economic, psychological and ecological environment for business. It refers to social networking, inter-firm assistance, tie-up, outsourcing opportunity, communication connectivity network, power supply, nearness to raw material supply, and so on. Balu, V., (2000)\textsuperscript{xlii}.
The John Kao’s Model

1. All possible opportunities
2. Feasible opportunities
3. Motives skills of entrepreneurs
4. Emergence of new firm

Externality → Personality
1.6 STATEMENT OF THE PROBLEM

Entrepreneurship is the interface between ‘ecology’ the external environment and ‘egology’ the internal, personal attitude and motivation.

The external intervention in the name of entrepreneurship awareness programme (EAP) may create the spark of entrepreneurial inclination. Entrepreneurship Development Programme (EDP) may spot the potential entrepreneur, select the probable entrepreneur, provide the suitable training and support the endeavour. The social progresss, national economic needs and pressures may be the breeding ground for entrepreneurship.

The external environment may be either conducive or confounding to one’s business venture, some people identify the socio-economic climate as the ‘opportunity’ environment. For some others the unfavourable environment provides the impetus. The incompatible, inconvenient, backwardness is also the environment that nurtures entrepreneurship even without the government support.

The emergence of entrepreneurship is primarily based on the appropriateness of the personality traits to the favourable or unfavourable environment.

In fine, the effective “structuring” of entrepreneurship development is the culmination of congruity between the constellation of external forces and the apt, adaptive personality traits of individuals.
1.7 OBJECTIVES

1. To identify the antecedents that have led to the emergence of entrepreneurs;
2. To analyse the entrepreneurial attitude and involvement in business;
3. To correlate the entrepreneurial performance with their characteristics;
4. To assess the entrepreneurs’ perception about business problems, functional risk and business risk; and
5. To bring about the assistances and support needed for furthering the entrepreneurial spirit.

1.8 PROFILE OF THE STUDY AREA

Tamilnadu is the southern most state in the Indian subcontinent. It lies between latitude 8°04' and 13°34' N and longitude 76°14' and 80°21' E. The state is bounded on the north by Andrapradesh and Karnataka, on the West by Kerala, on the east by Bay of Bengal and on the West by Kerala, on the East by Bay of Bengal and on the South by the Indian Ocean. Tamilnadu is one of the most industrialized states in the country with a dispersed pattern of industrialization. The state has the largest percentage of factories (15.4%) in the country and ranks third in terms of net value added (9.9%).
# TABLE 1.1
## Profile of Coimbatore and Madurai Districts

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Items</th>
<th>Coimbatore</th>
<th>Madurai District</th>
<th>Tamil Nadu</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Area Sq.km.</td>
<td>7469</td>
<td>3742</td>
<td>1,30,000</td>
</tr>
<tr>
<td>2.</td>
<td>No. of Taluks</td>
<td>9</td>
<td>7</td>
<td>206</td>
</tr>
<tr>
<td>3.</td>
<td>No. of Revenue Divisions</td>
<td>3</td>
<td>2</td>
<td>73</td>
</tr>
<tr>
<td>4.</td>
<td>No. of Panchayat Unions</td>
<td>19</td>
<td>13</td>
<td>385</td>
</tr>
<tr>
<td>5.</td>
<td>No. of Town Panchayats</td>
<td>59</td>
<td>15</td>
<td>611</td>
</tr>
<tr>
<td>6.</td>
<td>No. of Panchayats</td>
<td>388</td>
<td>431</td>
<td>12618</td>
</tr>
<tr>
<td>10.</td>
<td>Density of population (per sq.km)</td>
<td>566</td>
<td>733</td>
<td>478</td>
</tr>
<tr>
<td>11.</td>
<td>Urban Population percentage</td>
<td>66.03</td>
<td>55.94</td>
<td>43.86</td>
</tr>
</tbody>
</table>

Office Records, Commissioner of Revenue Administration, Chennai-5.

**Coimbatore District**

Hundred years back, Coimbatore was considered a place unfit for cultivation due to clay soil. The growth of the place started when people identified cotton and none other crop as suitable to the clay soil. The moisture came from Palakhat enabled the cotton cultivation. Taking advantage of the moisture, the British entrepreneur Robert
Stanes established the first spinning mill in 1880. Later Nattukkottai community entered the spinning business. Kaliswara, Somasundaram spinning mills were started by them in 1900. Naidu and Gounder community also showed interest in this business. Lakshmi mill was started in 1910 by Naidu community. Gnanambikai mill was started in 1940 by Gounder community. Coimbatore became the Manchester of South India.


Location and Area

Coimbatore is an inland district in the southern part of the Peninsula. Coimbatore district lies between 10°10' and 11°30' of the northern latitude and 76°40' and 77°30' of eastern longitude in the extreme west of TamilNadu. It is bounded in the north and east by Erode District. In the west and south the mountain ranges, viz., the Western Ghats and Anamalais provide its boundary. In the West, to the South-West of its Headquarters City (Coimbatore) there is a mountain pass in the Western Ghats. Due to the presence of the mountain pass major parts of the district benefit from the south-west monsoon. Apart
from its influence on the climatic conditions in the district, the pass which is commonly known as Palghat Gap has an enduring influence on the trade and commerce that are centered in and around Coimbatore city. This opening in the Western Ghats provide a direct access to the traders in the west coast to the city of Coimbatore and vice versa, thus establishing a constant and continuous intercourse in trade with the west coast. Total area of the district is 7469 sq.kms. Headquarter of this district is Coimbatore.

History

Originally Coimbatore district formed part of the Kongu country the history of which dates back to the Sangam age. It is found the in early days the area was inhabited by tribes, the most predominant among them being the Kosars who are reported to have had their headquarters at Kosampathur which probably later became the present Coimbatore. However tribal predominance did not last long as they were overrun by the Rastra Kutas.

Industries

The district is not endowed with any remarkable mineral wealth. There is nothing conspicuous or significant about the minerals in the district except for the abundant presence of black granite limestones, quartz and feldspar. Plentiful availability of limestone has helped the growth of cement industry in Madukkarai. There are various
companies engaged in the quarrying of limestone, gypsum, quartz and feldspar. The Tamilnadu Cement Corporation has also entered the field very recently.

Next to Chennai, Coimbatore is the most industrialized district in the State. The textile industry, engineering industry, handlooms, etc. have contributed in no small measure, towards stabilizing the industrial base of the districts economy. Coimbatore city has rightly been called the Manchester of South India and could be compared with Bombay or Ahmedabad in the north as regards textile industry is concerned. The growth of engineering industries and their concentration in Coimbatore have been rather remarkable. The enterprising nature of the people has helped the growth of industries in the district very much.

Hand spinning of cotton, handloom weaving, basket making, etc., thrived in ancient times in the region and these products were much in demand every where due to their excellent quality. These traditional industries of early days have not only survived the development of modern industries but also prospered alongside. These industries still make significant contribution towards the industrial prosperity of the district.

Coimbatore is noted even today for its handloom fabrics. Coimbatore cotton sarees are much in demand in the market. Important weaving centres are Coimbatore, Ondipudur, Singanallur, Vadavalli, Tiruppur etc. These centres produce quality cotton sarees and art silk sarees, towels and bedspreads. The formation of weavers, co-operative have helped the industry very much.
Among the major industries that have made a mark in the district, cotton textile industry is the most important. Because of large concentration of spinning and weaving textile industry has come to occupy a place of unique importance in the industrial field in the district. The first cotton spinning and weaving mill was setup in Coimbatore in the year 1888 and ever since the industry has developed. The industry has made rapid strides and is now the large scale industry which employs the maximum number of workers in the district. There are 419 factories in the district employing more than 60000 workers engaged in the manufacture of cotton textiles alone. These are in addition to other textile products, manufacture of wool, silk and synthetic fiber textiles.

The growth and concentration of textile industry in the district has helped the growth of industry engaged in the manufacture of machinery and tools for use in textile industry. The large demand for machines and tools used in textile industry has led to the establishment of a factory for the manufacture of these items in demand. The Textool company was established in 1944 at Ganapathy. Another unit engaged in the same line is the Ramakrishna Industrials at Peelamedu. This, of course, is of recent origin. But together, these two factories are making a remarkable contribution in sustaining the supplies of tools and machinery required for the textile industry.

The establishment of SITRA (the South India Textile Research Association) at Coimbatore has helped the growth of textile industry on scientific lines. This organization, setup by the textile mills association, has made significant contribution in
developing new designs, market surveys, etc. and maintaining constant feedback to the industry regarding the changing needs and desires of the public.

**Madurai District**

Madurai city is known for traders becoming entrepreneurs. The first small industry with an iron and steel fabricating base was started in 1910 to produce steel trunks, iron drums, bucket and shutters. Since 1921, the textile industries have begun to appear. Automobile spare parts manufacturing industries came into being as early as 1931.

The confectionary industries producing ice cream, bread and biscuits emerged in 1935. The beverage industries soon followed since 1938. By 1941, non-ferrous metal and alloy industries had come on the scene, producing aluminum sheets, copper and brass vessels and brass household utensils.

From 1943 onwards chemical and fertilizer industries manufacturing calcium carbide, camphor tablets, crude salt, carbon dioxide, Benzedrine and dihydrochloride have come into being. Small industries manufacturing rice hullers holders and blades and textile mill parts have come into existence since 1944. Subramanian, R. (1975). Firms producing electrical accessories and equipment started functioning in 1948. Small industries producing cement pipes, cement-well-sings, mosaic tiles, cement grills
started from 1958. The plastic and polypropylene industries emerged in the 1960s and electronics industries in 1970s.

**Location and Area**

Madurai district is bound by Dindigul and Karur districts in the north, Virudhunagar district in the south, Sivaganga district in the east and Theni district in the west. Madurai City is the headquarter of this district.

Madurai district is famous for its orchards, forest products and handloom weaving. Once famous for its agricultural weaving. Once famous for its agricultural products, it retains its agricultural tinct of economy and remains backward industrially.

**History**

The early history of Madurai district is inter-woven with the history of Pandyan dynasty. One version traces its past as ancient as that of Ramayana, while another to that of Mahabharatha. To find credit to this heritage the name Pandya is said to be derived from the descendants of Pandu, the father of Pandava brothers. The Sthalapurana of Madurai dates back the origin of Pandya kingdom to the immortal age linking them to Gods like Indra, Siva and Saraswathy and the sage Agasthya and weaving the sixty-four sacred sport of Siva round Madurai. Tradition has also its version that three brothers originally residing at Korkai near the north of Tambraparani river in Tirunelveli district eventually separated and founded three great kingdoms and
Pandyan, one of the brothers remaining at home founded the kingdom comprising erstwhile Madurai, Tirunelveli and Ramanathapuram.

There is no corroboration for all these. There are evidences to show that about the beginning of the Christian era, the Pandyan kingdom was a settled one co-existing with the neighbouring kingdoms of Cholas and Cheras. The classical writers of Greece and Rome had acquainted with Pandyan kingdom. From these, it is evident that Pandyan kingdom was the most powerful and prosperous. Asokam’s edict mentions (250 BC) about the existence of Pandyan kingdom in the south.

The most famous Pandyan king of the Sangam age (first three centuries of the Christian era) was Nedunjeliyan Talaiyalanganam. As a youth he came to the throne and proved himself of more than equal to the combination of his neighbouring kings and in one battle he defeated Chera king and made him captive. Highly religious he respected and honoured the learned ones, had the habit of consulting all important matters with his officials.

The Sangam age was followed by an age of darkness for nearly three centuries (300-600) in the history of the south. During this period the territory was occupied by Kalabhras who professed Buddhism, tolerated Janism and undermined Hinduism. Towards the close of the 6th century, the kingdom came again in possession of a Pandyan king, Kadungon (590-620 AD) and his son Maravarman Avanisulamani (620-625 A.D.) The Pandyan glory lasted for some more generations till the Cholas overpowered.
Pandyan king Maravarman Rajasimha II (905-920 A.D.). For some period Madurai kingdom was under Chola rule. Again by the time of Vikrama Pandya, the kingdom came under Pandyan rule (1166 AD).

Slowly came, thereafter the Muslims invasion, under Malik Kafur (1311 AD) and the establishment of Madurai Sultanate, partly because of frequent quarrels among the Pandyan Princes. Thus, Muslims ruled Madurai for a period of forty five years (1334-78 AD), making an end of the Pandyan empire. The Muslim rule was not eventful, but brings to memory desecration of temples and persecution of Hindus. Their kingdom included Madurai, Ramanathapuram, Pudkkottai, Thanjavur and Tirunelveli but occasionally they were disturbed by Pandyan Princes who did not totally disappear from south.

All these petty kings, however, accumulated their might under the mighty king of Vijayanagar and put an end to the Muslim rule in Madurai and all over south in the later part of fourteenth century and laid the foundation of Nayak kingdom in the time of Krishna Devaraya. By the middle of sixteenth century, the Nayaks ruled over Madurai, as Viceroys of Vijayanagar Empire. They constructed its fort and established their might and won a high position in the history of Madurai, Viswanatha Nayak (1529-64 AD) Muthukrishnappa Nayak (1601-09 AD) Tirumala Nayak (1623-59 AD), Chokkanatha Nayak (1659-82 AD) and Mangammal (1689-1706 AD) were the famous rulers of Nayak line.
During the regime of Nayak more and more waste lands were brought under cultivation, collected revenues from different sources, encouraged trade including the export of pearls and chanks, started schools, choultries and in general Hindu culture was revived and became more prosperous. Due to various internal disturbances, mainly because of rivalry among neighbouring kingdoms, the territory fell into the hands of Carnatic Muslim rulers and remained so till the end of eighteenth century.

After the fall of Nayaks rule, Chanda Sahib of Carnatic strengthened his position in and around Madurai subjecting the King of Thanjavur to cede a portion (now Karaikkal) to French. But the King of Thjanjavaur and Bangaru Tirumala with the assistance of Maharashtra king conspired against Chanda Sahib. Finally, Maharashtras appeared with a large army, killed Chanda Sahib’s brother who was the Governor of Tiruchirapalli and made Chanda Sahib surrender. Chanda Sahbi was taken to Satara as captive and thereafter nothing was heard. There came quick changes among Nawabs. Meanwhile one Alam Khan a partisan of Chanda Sahib, seized Madurai and Tirunelveli. As soon as the news reached Nawab, he sent an army with the assistance of English for the recovery of the lost portion. In the battle, Alam Khan died and by 1755 Tiruchirappalli, Madurai, Tirunelveli etc. came under the control of British East India Company.

At the beginning of the nineteenth century, Madurai and surrounding areas came under the administration of the East India Company. From this time onwards there
were no wars or other internal disturbances in and around Madurai district for few years. The territory remained under the rule of the Britishers for about 150 years.

The rising nationalism in India with popular movements started by Gandhi, Father of the Nation, such as non-co-operation and other movements like Home Rule and Khilafat movements etc. aroused the patriotic feeling among the people of Madurai. They started to assert their rights in social, economic and political spheres. It resulted in the country’s attaining its Independence in 1947.

In the history of administration, the district had a patch up growth. Madurai territory came under the control of East India Company in its. Dindigul was taken in 1790 which comprised of the present Dindigul, Palani, Periyakulam, Vedasandur and Uttamapalayam taluks. The Nawab of Arcot gave Madurai in 1801. In 1796 East India Company appointed Mr.M.C.Leod as Collector of Dindigul. The Collector of Madurai was appointed later in 1804. The two regions-Dindigul and Madurai remained as separate entitles till a survey of the region was undertaken in the middle of 19th century. After this the district consisted of seven taluks. Tadikombu, Nilakkottai, Madakkulam, Melur, Aiyampalle, Tenkarai and Tirumangalam, Mr.Pelly in 1860 revised the village and taluk establishments and renamed existing taluks and merged some. Kodaikanal came out from the then Periyakulam and Palani taluks. Nilakkottai was again separated as a taluk from Dindigul.
The district of Madurai of 1981 census has been divided into three parts namely Mannar Thirumalai, Madurai and Veeran Azhagumuthu. While Mannar Thirumalai district carved out prior to 1991 census, another district, Veeran Azhagumuthu formed after 1991 census.

Industries

Madurai district is not rich in minerals even though it is not totally extinct. Crystalline lime stone and building stone are available in large quantities in Tirumangalam taluk which are used for making cement. In Madurai district, a large size of industrial and trading population live, standing only next to Coimbatore district. Industries may fall into three broad categories as 1. Household, 2. Small Scale and 3. Medium and Large Scale Industries.

Household industries

Little more than one third of the urban population are engaged in household industry, that too, mainly in Madurai. Handloom weaving is the major household industry in the district. The district has many weavers co-operative societies. Other important items of making toys and dolls, processing of food articles, manufacturing of safety matches and its allied articles, etc. are worth to mention.

Small Scale Industry
Manufacture of metal product except machinery and transport equipment covers 30 per cent of the total industries in the district. They produce household articles such as stainless steel, aluminium and iron utensils, the containers, locks, agricultural implements and steel furnitures. Food products follow next and this production contain a list of more than 100 items such as sweets, biscuits, pickles, jams, vermicelli, appalams, etc. the items with a ready market. Manufacturing of transport equipment occupies third place in the small scale industries.

Madurai town is famous for dyeing, being one of the largest centre in South India. Vegetable dyes were used in olden days and is no longer in vogue now. Another peculiar character of Madurai is wax printing, done at Madurai town which was once prevalent in large scale. This is also declining slowly because of mechanical printing.

Medium and large scale industries

Main and large industries are located in Madurai taluk. Important of these are spinning and weaving, transport equipment and cycle manufacturing. The Harvey Mills which has celebrated its centenary, now under the management of Madurai Coasts is the main and major spinning and weaving mill with its sister concern, Madurai Mills. There are many cotton mills in the district, out of which more than half of them are manufacturing yarn and textile articles. The remaining are manufacturing yarn alone and most of them are under private sectors, barring one under co-operative sector.
Other important industries in the district are as follows:


Industrial training institutes are functioning in Madurai which give training in various trades. Women candidates are also admitted in these institutions. Industries Department of Government of Tamil Nadu is running an industrial museum attached to the industrial training school.

1.9 DATA BASE AND METHODOLOGY

Coimbatore and Madurai Districts are selected for the present study. Both the districts are placed in the Southern Parts of Tamil Nadu State.

Selection of Small Scale Industries

Small Scale Industries (or) undertakings having investments in fixed assets in plant and machinery not exceeding Rs.100 lakhs mainly belonged to private sector consisting of individual and partner entrepreneurs, the area best suited for a sociological study of this kind. Further, the selection of small scale industries is made for the reason that despite our impressive development of large scale industries during the last three decades of planned developments, India still remains a country of village and small scale industries. About 20 per cent people are engaged either directly or indirectly in these industries.
Selection of Cotton and Engineering Industry

The Small Scale Industries sector covers a wide range of traditional and modern industries. Among the industries one industry from traditional i.e., cotton textile and one industry from modern industry i.e., engineering industry is selected for the present study.

Selection of the Study Area

After selecting the industries for study, the task is to choose a state and districts for identifying suitable place for conducting this study. The fact is that the available comparative studies on South Indian entrepreneurs have not covered Coimbatore and Madurai Districts. Further, the regional language of Tamilnadu being the Mother Tongue of the researcher, the State of Tamil Nadu is chosen to have an advantage for an indepth and purposeful and researchable study at the district level.

In Tamilnadu, Coimbatore and Madurai Districts are further selected for conducting this research study. The selection of these two districts is mainly based on the following reasons:

1. The Coimbatore District is famous for industries and Madurai District is historically famous for trade-orientated ventures. Both districts are the important regions manufacturing and exporting of cotton and engineering goods.
2. These two districts are selected for the empirical study because former is known to be the centre of trade and commerce, whereas the latter is the oldest district of the state. Owing to varying market conditions, cotton and engineering units of different sizes and technologies have been available in these two districts only.
Hence, the researcher analyses entrepreneurship in Cotton and engineering industries in Coimbatore and Madurai districts. Such an analysis would help assess the status of entrepreneurs, engaged in cotton and engineering industries and gauge entrepreneurial performance in terms of many variables defining entrepreneurship. The findings of the study may serve as guiding blocks for the Policy-makers, Planners and People for formulating future programmes towards entrepreneurial development in India.

Sampling Design

In Coimbatore and Madurai Districts Cotton Textile and Engineering Industries have been taken as sample units for this study. The units selected for this research are drawn from these two types of industries, using two per cent “proportionate random sampling”.

**TABLE 1.2**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the Industry</th>
<th>Size of the Sample Units</th>
<th>Size of the Registered Units*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coimbatore District</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Cotton Industry</td>
<td>105</td>
<td>5214</td>
</tr>
<tr>
<td>2.</td>
<td>Engineering Industry</td>
<td>41</td>
<td>1968</td>
</tr>
<tr>
<td><strong>Madurai District</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Cotton Industry</td>
<td>78</td>
<td>3883</td>
</tr>
<tr>
<td>4.</td>
<td>Engineering Industry</td>
<td>42</td>
<td>2076</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>266</td>
<td>13141</td>
</tr>
</tbody>
</table>

* Source: Office Records, District Industries Centre, Coimbatore and Madurai.

Table 1.2 shows the details of industries and entrepreneurs covered in this study.

Out of the total 13,141 registered small scale industries with District Industries Centre
(DIC). 266 industries are chosen by following proportionate random sampling method. Sample units constitute 2.0 per cent of the total registered small scale industries with DIC in the study area.

1.11 SOURCES OF DATA

This study is based on primary and secondary data. This is a descriptive and diagnostic study. The population of the study comprises the selected sample unit located in Coimbatore and Madurai Districts. The unit of the study is small scale industrial unit. Having identified the units and the variables connected with the research work, the researcher started preparing an interview schedule in the light of suggestions and additional information put forth by the experts. The interview schedule was pre-tested by experts. The interview schedule was pre-tested by conducting a pilot study with ten entrepreneurs to judge the word arrangement, format and the like. The interview schedule was again modified to incorporate all the pertinent issues in the schedule for the purpose of bringing it in the present form. The entrepreneurs were contacted in person. The objectives of the study were explained to them and the response was elicited.
Primary Data

This research utilizes primary data regarding, socio-economic characteristics of the entrepreneurs, trends and growth of entrepreneurs, factors responsible for the growth of entrepreneurs and the problems of entrepreneurs, etc. collected through a well structured interview schedule. The data used in this study have been collected from primary sources of sample entrepreneurs in Coimbatore and Madurai Districts.

Secondary Data

Secondary Data for this research were collected from the official records with the District Industries Center (DIC), Small Industries Service Institute (SISI), MADITSSIA Small Industries Development Corporations Tamilnadu (SIDCO), Tamil Nadu Economy Appraisal, Statistical Hand Book of Tamilnadu. Besides, relevant books, journals and other studies relating to entrepreneurship were used. The data were processed, tabulated and subjected to statistical analysis.

1.12 PERIOD OF STUDY

The data were collected for the period from April 2004 – March 2005 which was the financial year.
1.13 METHODS OF ANALYSIS

To understand the inter-related variables forming different factors describing the entrepreneurial behaviour, factor analysis is used. Factor analysis is the determination of a set of descriptive concepts which summarise the relationship among the components of a system of interacting variables” Malta, P.M., (1976)xlvi.

The factors are formed in such a way that the cumulative percentage of the total variance attributable to each successive factor is maximum. The number of factors that can be extracted also depends on the desirable Eigen value. Eigen value is the sum of squared values of factor loadings related to a factor. It is a measure of the explanatory power of each factor. Factor loadings are correlation co-efficients between the factor and the variables.

Multiple Regression Analysis is used to analyse the relation between independent variables and dependent variables in respect of entrepreneurship. In order to interpret the regression co-efficient as an indicator of the relative importance of the predictor variables, ‘collinearity statistics’ as a measure of the effect of other independent variables on a regression co-efficient is used. Regression results provide information on the statistical significance of the independent variables on the strength of association between them.
One-way Analysis of Variance (ANOVA) is used to find the association between the inter-related variables forming entrepreneurial behaviour.

Discriminant analysis is used to identify the important discriminating variables between two groups of entrepreneurs on the basis of the related variables. The unstandardised discriminant function is established to find out the relative contribution of the selected variables in total discriminant score. A single discriminant equation is established since the categorization has called for two groups of entrepreneurs. Significant tests such as T-statistics and Wilk’s Lambda have been used for testing the significance of the discriminant function.

The following indices are used which facilitate the quantification of descriptive variables characterizing entrepreneurship.

**Entrepreneurial Attitude Orientation Index**

The EAOI among the entrepreneurs shows the overall entrepreneurship among the entrepreneurs. It is arrived at by using the formula:

\[
EAOI = \frac{\sum_{i=1}^{n} SEAOV_i}{\sum_{i=1}^{n} MSEAOV_i} \times 100
\]

Where

- \( SEAOV \) – Score on Entrepreneurial Attitude Orientation Variables
- \( MSEAOV \) – Maximum Score on Entrepreneurial Attitude Orientation Variables
- \( i=1 \ldots n \) – Variables in the measurement of Entrepreneurial Attitude
Orientation

**Enterprise Involvement Index (EII)**

The EII represents the collective idea on the enterprise involvement among the entrepreneurs. In the present study, it shows the collective vision on the ten enterprise involvement variables. The EII is calculated by using the formula:

\[
EII = \frac{\sum_{i=1}^{n} SEIV_i}{\sum_{i=1}^{n} MSEIV_i} \times 100
\]

Where
- \(SEIV\) – Score on enterprise involvement variables
- \(MSEIV\) – Maximum score on enterprise involvement variables
- \(i=1...n\) – Number of variables included in enterprise involvement

**Risk Perception Index (RPI)**

The risk perception index indicates the overall view on the perception on various risks involved in the business. The RPI is calculated by covering 16 risks.

\[
RPI = \frac{\sum_{i=1}^{n} SPR_i}{\sum_{i=1}^{n} MSPR_i} \times 100
\]

Where
- \(SPR\) – Score on perception of risk
- \(MSPR\) – Maximum perception of risk.
- \(i=1...n\) – Number of risks included in the analysis
Problem Perception Index (PPI)

The problem perception index has been computed to exhibit the perception on the various problems in the business. It is calculated by the formula:

$$PPI = \frac{\sum_{i=1}^{n} SPP_i}{\sum_{i=1}^{n} MSPP_i} \times 100$$

Where

- $SPP_i$ - Score on perception of problem
- $MSPP_i$ - Maximum score on perception of problem
- $i=1 . . . . n$ - Number of problems included

Personality Index of Entrepreneurs

The personality indicates the collective vision about economic motivation, information intelligence, socialisation, scientific temperament, risk orientation and banking orientation among the entrepreneurs. It is calculated by an Index called ‘Personality Index’ (PI).

$$PI = \frac{\sum_{i=1}^{n} SPV_i}{\sum_{i=1}^{n} MSPV_i}$$

Where

- $PI$ - Personality Index
SPV – Score on personality variables
MSPV – Maximum score on personality variables
i = 1 . . . n – No. of statements included in all aspect of personality traits

1.14 LIMITATIONS

1. The study is confined to the selected industries such as cotton textile and engineering enterprises. Hence, the findings may or may not be relevant to other industrial entrepreneurship.

2. Originally, the snowballing sampling was tried out. It involved interviewing the successful entrepreneurs and then selecting the next successful entrepreneurs through the pinpointing by the interviewed entrepreneurs. As it was a time-consuming process, it could not be continued.

3. The data were collected through a pre-tested interview schedule with the help of user’s recall method. A few entrepreneurs provided data with some reluctance. A lot of persuasion was needed to elicit correct information from them. Punctilious care was taken to exclude recall bias in their statements.

1.15 CHAPTER SCHEME

The first chapter is devoted to the theoretical framework, profile of study area and methodology of research.

The second chapter deals with the integrated theorization of entrepreneurship after reviewing the previous theories.
The third chapter reviews the previous studies in the realm of entrepreneurship.

The fourth chapter highlights small scale industrial growth representing entrepreneurship.

The fifth chapter analyses the study of entrepreneurial antecedents.

The sixth chapter is devoted to the study on perception and practice of entrepreneurship.

The seventh chapter provides the summary of findings, policy implications and conclusion.
# REFERENCES

## TABLE 2.1

Entrepreneurship: Sources of Supply and Motivation

<table>
<thead>
<tr>
<th>Author</th>
<th>Entrepreneurial Phenomenon</th>
<th>Source of Entrepreneurial Supply</th>
<th>Motive Force or Trigging Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Weber</td>
<td>Status Groups</td>
<td>Extraordinary individuals</td>
<td>Religious beliefs Calvinist ethic.</td>
</tr>
<tr>
<td>Schumpeter</td>
<td>Individual</td>
<td>Extraordinary individuals`</td>
<td>Inherent urge to achieve success</td>
</tr>
<tr>
<td>Everett E.Hagen</td>
<td>Subordinated groups</td>
<td>Creative individuals in the society driven by a duty to achieve</td>
<td>‘Status withdrawal’ and ‘relative social block-age’</td>
</tr>
<tr>
<td>John H. Kunke</td>
<td>Socially acceptable individuals</td>
<td>Operant conditioning procedures in a society</td>
<td>Reinforcing stimuli</td>
</tr>
<tr>
<td>David C.McClelland</td>
<td>Religious and social groups</td>
<td>Individuals with high n-achievement</td>
<td>Child-rearing practices</td>
</tr>
<tr>
<td>Thomas Cochran</td>
<td>Individual</td>
<td>Society’s ‘modal’ personality determined by its cultural value, role expectations and social sanctions.</td>
<td>‘Social acceptance’ of entrepreneurial role</td>
</tr>
<tr>
<td>Frank Young</td>
<td>Homogeneous groups</td>
<td>‘Relative subgroups’ (ethnic communities) occupational groups or politically oriented functions)</td>
<td>Deviant view strengthened by group solidarity</td>
</tr>
<tr>
<td>Harbison</td>
<td>Number of individuals</td>
<td>Hierarchy of individuals</td>
<td>Dynamic organisation</td>
</tr>
<tr>
<td>Bert.F. Hoselitz</td>
<td>Group</td>
<td>Culturally marginal groups</td>
<td>Gaining social recognition</td>
</tr>
</tbody>
</table>

## CHAPTER-II