CHAPTER - III
REVIEW OF LITERATURE

Introduction

Many scholars have shown great interest in studying the various aspects of entrepreneurship in India. Small-scale industries have been given an important place in the economy of both developing and developed countries. The economic development achieved by many developed countries can be linked directly to the growth of this sector. In India the small-scale industrial sector has registered rapid growth. In view of the importance of small-scale industrial sector, the growth and development has attracted a good deal of academic attention. A large volume of literature thus available on the different aspects of entrepreneurship and small-scale industries has been studied at length. A brief review of such important studies is made here.

• Studies in Entrepreneurship Development and Small-Scale Industries:

Basu (1957) makes an attempt to examine the financial problems of small scale Industries and assess their place in the country's Second Five Year Plan. The study highlights the role of SFC in financing small-scale Industries.

The seminar conducted by the Reserve Bank of India (1959) on financing the small-scale Industries in India went deep into the problems of small-scale Industries, the Institutional set-up, role of government in assisting small-scale industries, resources of credit institutions and miscellaneous issues.(Studies Discussing the Financial Problems of SSI)

James J. Berna (1960) studied fifty manufacturing firms engaged in various kinds of Light engineering production in and around Madras city and Coimbatore. Most of the firms at the time of starting were of medium size Dr. Berna studied the entrepreneur background & origins and found that the initial entry into industry was open to persons of very different social standing
and economic position. His basic finding goes against the popular belief that caste and tradition play an important role in the emergence of entrepreneurs. One of the most interesting findings is that the medium size manufacturing firms have mostly grown from small scale units. Moreover, he states that the growths of enterprises have been achieved in the face of formidable oblast. He also rated the entrepreneurship displayed in that region as of fairly high quality. Dr. Berna further feels that the performance or the entrepreneurs could be improved and their contribution to industrial progress can be increased, if certain help techniques of production and management could be provided to them. Dr. Berna points out that medium scale enterprises are neglected by the government as the developmental efforts are more focused on small scale industries. He maintains that medium scale enterprises also should relive intensive help as such enterprises have already demonstrated their capacity to grow and their capability to speed up industrialization.

The Japanese delegation, which visited India (1961) found that most of the facilities and concessions provide were in excess of their requirements and they warned that it would lead to continuous dependence of these units on the government. (Studies Examining the General Problems and Prospectus of Small-Scale Units)

Robert Kennedy (1962) attempted to fit webinar model to analyze the commercial bent of the Parsi mind. He tried to correlate the values associated with economy activity and values expressed in Zoroastrianism. His paper maintains that the Parsi entrepreneurship can be explained by their Zoroastrian teaching.

Narayanan (1964) in his thesis discusses the financial problems faced by Industries in general and recommends the setting up of an Industrial development Bank at the state level for mitigating the problems.

V. R. Gaikwad and R. N. Tripathi (1970) studied the small entrepreneurs of Tanku region of west-Godawri district in Andra Pradesh. It is
an attempt to bring out the prerequisites for successful entrepreneurs were persons with initiative, drive and hard work, though the majority of the entrepreneurs had no technical knowledge, nor strong economic base or strong political connections. Moreover, very few had any idea of the work involved & any definite idea about the government policy. This study also out an interesting finding about traders. Opinions on industries. The traders realize the scope of industries in the region but hesitate to take up industrial entrepreneurship because in their opinion, it requires large capital outlay, high managerial and organizational skill and technical knowledge. Moreover, they are not preparing to wait for returns as the industries have a long gestation period. In their opinion the problems of an industrialist are multifold. They think that industrialist enjoy better status than the trade men. This finding of Gaikwad and Tripati is very important for policy makers as the trade men are often looked upon as potential entrepreneurs.

Amalendu guha (1970)\(^8\) review historically the development of Parsi Entrepreneurship during 1750-1850. He accounts several reasons for their success in business and industry and indicates their interest in European forms of business organization, development of shipping ship building, exploration of new markets, acquisition of working knowledge of the changed political circumstance as a some major factor. He argues that the success of Parsi cannot be explained purely by religion or by their Puritanism. The Parsis success has, therefore, been explained by their greater ability to adjust themselves to European power and their relative non-involvement in earlier civil and military administration.

Suresh Chandra Jain (1971)\(^9\) in his work analyses in detail the problems of institutional finance for small-scale Industries in the state of Utter Pradesh.

Sharma (1973)\(^10\) in his study explains industrial financing by national level financial institutions. It also discusses the role of the state financial
institutions in financing industries of Bihar. He suggests that the financial institution should act as a guide philosopher and promoter of industries and recommend the setting up of small industries bank.

**Suresh Chandra Jain (1973)** in his study emphasizes the need for greater Co-ordination of financial Institutions and non-financial Institution and agencies engaged in the promotion of small-scale Industries.(Studies Evaluating the Functional Performance of Institutions Financing SSI Units).

**Gloria V. Javillonar and George R. Peters (1973)** are more concerned with utility of viewing entrepreneurship in India as a family rather than as an individual phenomenon. Thus they support this contention by highlighting the McClelland’s proposition which inter alia states that high an achievement is positively related to entrepreneurship. Demerging in open social structure and in situation where there is relative freedom of occupational choice. Therefore, it is inappropriate to apply an achievement criterion to an individual identification and orientation. The data strongly supported the hypothesis that entrepreneurship among the Indian Small Scale manufactures may be more meaningfully viewed as a situational phenomenon tied to the type of ownership of the business enterprise than as an individual phenomenon. Secondly, the extended family system also facilities an individual’s entry into entrepreneurial role.

**Ashish Nandy (1973)** carried an intensive study of small scale entrepreneurs and matching group of non-entrepreneur from an urban ward of Howrah in West Bengal. This is an attempt to compare the enterprising and non-enterprising cultures. The study reveals that, in an enterprising community, entrepreneurial exposures themselves contribute substantially to entrepreneurship and identified such a phenomenon as an important determinant of entry and survival in business. In the study an Achievement turned out to be the best predictor of entrepreneurial motives, followed by power and the sense of efficiency. The revelation of the study that there is
significant association between power & entrepreneurship is surprising and goes the popular belief.

Prasad (1974)\textsuperscript{14} in his study highlighted that small-scale industrial sector in India is small only in size but big achievements. (Studies Examining the General Problems and Prospectus of Small-Scale Units)

SIET (small Industries Extension Training Institute) Hyderabad (1974)\textsuperscript{15} conducted a survey of small unit situated in Hyderabad and secundarabad. The study probed into the reason for starting industrial units by interrogating 61 entrepreneurs. The study reveals that “economic gains” was the most important reasons for starting the small industrial units followed by "ambition”, “social prestige” and “social responsibility”, in that order. Along with this, “high demand” for the product perceived had been the most encouraging factor. The study revealed “capital shortage and government red-tape” as the most discouraging factors. The study hypothesized six stage in process of adopting the innovations of small industries and the six stages are - (1) the awareness stage (2) the interest stage (3) the preparation stage (4) the trial stage (5) the evolution stage (6) the adoption stage. The finding reveals that the entire entrepreneurs have not passed through all the six stages and the number and sequences was not constant in the case of all. The study further shows that younger age, formal education, urban background experience in industry high scores in levels of aspirations, risk taking and adoption propensity were some of the characteristics that were positively associated with the quality of the entrepreneurship. But factors like technical education, high monthly income, being first born or eldest among the male children, contacts with influential people, and membership of organizations and need of achievement were not associated with the entrepreneurship.

K. L. Sharma (1975)\textsuperscript{16} studied the entrepreneurs in Utter Pradesh with respect to their entrepreneurial orientation, commitment and achievement. He found that entrepreneurs in Utter Pradesh have higher entrepreneurial
orientation than entrepreneurial commitment and achievement. The low entrepreneurial achievement is attributed to non-conductive socio-economic milieu, on commitment of workers and officials and shortage of raw material and capital. It means that entrepreneurial motivation fails to infuse entrepreneurial commitment and achievement in unfavorable social milieu and the success of entrepreneurship can be assumed by providing better conductive environment. The data also reveals that non-business castes have a higher degree of entrepreneurial orientation and higher commitment to the application of effective methods of market expansion than the traditional caste entrepreneurs while the latter have more spatial expansion of markets and higher sales. The low degree of entrepreneurial orientation and commitment in business caste entrepreneurs can be explained not because of their interest and capabilities but because of the well-established business that is inherited from their fathers.

K. L. Sharma (1976) studied inter-state patterns of entrepreneurial performance by selecting from Punjab and Utter Pradesh. The study reveals that inter-state variation in the industrial climate gives rise to variation in entrepreneurial performance and better the climate would be the performance. The study affirms that socio-economic background matters, to some extent, for one's entry into manufacturing.

As the instability in business climate leads to non-commitment of entrepreneurs, government has to take some steps to help the situation to improve and assure good prospects for entrepreneurial activity.

A study conducted by Bhati (1976) states that in a majority of cases, units outside the industrial estates, showed higher rates of surplus. (Studies Examining the General Problems and Prospectus of Small-Scale Units)

Pritam Singh (1976) in his study argue that some incentives for e.g. Capital subsidy schemes of the central and state government based on capital
cost of fixed assets are not favorable to labour intensive units. It could be related to number of persons employed in the unit. (Studies Evaluating the Functional Performance of Institutions Financing SSI Units)

Jit Singh Chandan (1976)\textsuperscript{20} observed that there is very little effort on research and development in industries for traditional items. The glaring needs in management are in respect of training capital, investment, and costing, and budgetary control. (Studies Analyzing the Role of Financial Institutions)

MC Crory (1977)\textsuperscript{21} conducted a case study of 17 small scale business in Northern India. He focused his attention on the craftsman entrepreneur. Whom he regarded as needed source of better industrial entrepreneurship. He analyzed the reasons for the higher incidence of industrial sickness and made policy recommendation for providing them an opportunity to grow, especially through provision of capital.

Empirical data reported on the Entrepreneurship Development is rather scant. However, scholars, planners and administrators have conducted and few empirical studies on entrepreneurship development. Therefore, percent review of literature has been delineated to document the experience in the relation to entrepreneurship development based on empirical evidences.

Inderjith Singh and Gupta (1977)\textsuperscript{22} state that the expansion of the bank credit is not only desirable but also essential for the economic development of Jammu and Kashmir. Commercial banks have to take up this task of credit expansion on a challenging basis and should exploit the tremendous potentiality by establishing personal contact with small industrialists. (Studies Discussing the Financial Problems of SSI)

Baldwing (1978)\textsuperscript{23} tried to understand the problems faced by large scale manufacturing industries in India. He selected 37 companies for this purpose, including private and public companies. there broad problems co
forming each firm i.e. the source of finance, the managerial structure, and labor problem received his major attention.

K. L. Sharma (1978) surveyed 245 small entrepreneurs from Punjab and Uttar Pradesh and tested a model for entrepreneurial development. His model of entrepreneurship-growth envisages it as a process with four stages, viz. entry, expansion, perception of stability and commitment to sustain the interest of the entrepreneurs in the continuous expansion of business.

The studies mentioned above can be classified as spatial studies of Indian entrepreneurship. These studies have analyzed the various aspect of entrepreneurship available at a particular location. But there are also some attempts to study Indian entrepreneurship on the basis of its caste origin. Such studies are considered to be more relevant to the Indian situation as its occupational structure and occupational mobility is governed by the caste system though its importance is diminishing over a period of time.

The most important technical group, which dominated the industrial scene in the latter half of the 19th century and attracted the scholar's attention in analyzing Indian entrepreneurship, is ‘Parsi’.

Pareek (1978) in his work reveals the role of Financial institutions and state agencies in extending credit to small-scale units and pinpoint their attitude of indifference in catering to the need of the tiny units. He suggests that financial institutions have to tune their policies in consonance with the needs of small-scale sector in general and the smaller among small-scale units in particular.

The mature of entrepreneurship in Marwari community is analyzed by Thomas Timberge (1978) He analyzed the theory of entrepreneurship with respect to the Marwari’s success in business and their late entry into industry. He concludes that as entrepreneurs the Marwari’s performed crucial roles in the development of the industrial and commercial economy of northern India. All the above cited studies help us in evaluating
the characteristics qualities of regional and ethnic groups in their endeavor to become entrepreneurs.

The studied by Acharya27, Spodek28, Hazlehurst29, Zoe Mars30 and B. N. Singh31 is sociological in nature. Their attention was attracted by the social origins, the cast system and family system affecting the emergence of entrepreneurship. Their analyses were based on the case studies conducted by them.

Mayer (1979)32 revealed that managers selected to represent the entrepreneurship role did score higher than specialist of comparable, age, education and job level whose jobs were judge to be non-entrepreneurial in nature. Their further research evidence suggested that higher fear of failure is not consistently associated with low an achievement. It could very well be than these two factors are at least in part independent variable.

Murthy (1980)33 points that though the problem of SSI is a multi dimensional one, it is revolving around the availability of adequate finance, more so with working capital. Unless the financial institutions mend themselves they cannot move hand in hand with SSI in solving its problem sympathetically as a friend, philosopher, and guide for them. Much talked about rural industrialization, balanced regional development etc.

Graham Bannock (1981)34 presents a vivid picture of the practical problems of the individual small business, showing how they relate to the wider issues of economic policy. He believes the release of the economic dynamisms inherent in the small business sector could help to generate the social and economic change needed for the resumption of inflation-free growth.

Study conducted by Papola and Tewari (1981)35 on the impact of concessional finance on industrial development of backward areas found that the concessional finance was one of the important considerations in the
location of new units in the backward districts. (Studies Discussing the Financial Problems of SSI)

**Berna (1982)** revealed the following qualities of good entrepreneurs while studying the entrepreneurs in Madras state

- Entrepreneurs in Madras state.
- Entrepreneurs are energetic, enterprising, resourceful, alerts to new opportunity, able to adjust new conditions, and willing to assume risk involved change.
- They are interested in expanding the business and reinvest earning in the business.

**S. Ravi Prakash Singaravelu (1982)** pinpoints the need to establish national level institutions or institutions at state level to finance tiny units, which come within the scope of small-scale sector. He also states that the loan should be project based, not security based.

**Roy Roth Well and Water Zegveld (1982)** reveal that SME have been and in general, continue to be, technologically innovative. Technology based new SMEs play an important part in the emergence of new technology and in economic growth SME, particularly, young technology based SMEs also make an exceptional contribution to employment creation. Independent SME, and their larger counterparts, does represent an important vehicle for regional regeneration.

**Narayana Reddy (1983)** in his doctoral thesis reports that SSI units are to equip themselves with better and improved methods of marketing, disseminated through proper training program conducted by the Institute of Marketing, which may be started exclusively. Hence there is a need for creating the Institute of Marketing for small industry at national level.

**Ram Vepa (1983)** in his study reports that over the last 25 years a network of institutions and policies has been developed in the country but not
all of them have been successful. But taken in totality, they have provided a well-organized framework in which the small and cottage industry have been allowed to grow.

Natarajan (1983)\textsuperscript{41} examines the trends in institutional financing to SSI units in Andhra Pradesh for a period of decade commencing from 1970.

Pathak (1983)\textsuperscript{42} evaluated seven units during 1980-81 with a view to find out the level of entrepreneurship. All the units were selected from the similar working environment. He studies their problems at their stage inception, operation and expansion and suggested the requirements for entrepreneurial ability at different stage. He comes to conclusion that the factors like contacts, education and finance play an important role in entrepreneurial development.

Oommer (1984)\textsuperscript{43} examined the emerging pattern of entrepreneurship in small scale sector to Kerala. This study focuses attention on two points (a) Origin and growth of firms in light engineering industry and (b) impact of government programmers on entrepreneurship. He took a sample of 45J entrepreneurs and to examine their performance, he compared employment investment and annual turnover by different categories of entrepreneurs.

Vinayak, Shankarrao Bhoyar (1984)\textsuperscript{44} states that program of Co-operative industrial estates coupled with Co-operatives in other related fields is a powerful instrument, which possesses the capacity to transform the backward area into advanced ones.

The task force on small-scale industries (1984)\textsuperscript{45} found that available subsidies and concessions are not distributed to eligible units at the right time. Such assistance announced by the government is badly delayed for several reasons such as delay in issuing detailed orders, inadequacy of budget provisions etc.

Report of high-level committee (1984)\textsuperscript{46} on trade and power states that, on the credit front, the efforts of Kerala Financial Corporation and banks
were found to be inadequate and were riddled with delays and too many formalities. (Studies Discussing the Financial Problems of SSI)

Sarnara Kumar Mirra (1984)\(^{47}\) in his study states that due to lack of coordination between DIC personnel and implementing agencies, procedural delays, non-availability of services of important agencies and lack of entrepreneurship he presents system is not functioning well.

Envying Chita and Carl Lied Holm (1985)\(^{48}\) in a comprehensive study of SSI in Sierra Leone provides a new insight into the role of SSI in providing production, employment and earning opportunities. Besides giving an overview of the role of the rural and urban Industry in Siena Leone, the determinants of the demand for and supply of SSI products are examined.

The report of the sub group on small-scale industries for the Seventh Plan (1985)\(^{49}\) had found that the efforts of the government have not met with the same degree of success in different parts of the country not have they removed the basic weakness of the small-scale sector.

Ashok Kumar Singh (1985)\(^{50}\) in his thesis made an effort to study the incentives and assistance provided by the government and the infrastructure facilities available in Bihar. A brief account of the potentialities and prospectus of SSI in Bihar is also given.

Nandy (1985)\(^{51}\) in his study of 67 entrepreneurs and 48 nor entrepreneurs from the two sub culture showed that the need for achievement, power, efficiency and overall moldering were positively correlated with entry into enterprises i.e. taking up an entrepreneurial role. But a factor analytically derived from a scale of entrepreneurial competence. Correlated with only education and overall modernity.

Bhatt (1986)\(^{52}\) described entrepreneurship in a social organization as a highly complex process. It is the result of interaction of various factors including natural endowments, historical traditions, educational and cultural standards, social stratification, religious and moral values, family
organization, social cohesion and economic development at any given period of time.

K. C. Chopra (1986) has added the motivational concept in the entrepreneurial development. He felt that one of the most essential perquisites for the most entrepreneurial development among non-traditional businessman is the identification of ‘man’ He was of the view the motivational training helps in changing the response of an individual so the he may react with confidence to existing economic situation. He further felt than an entrepreneurship oriented education at the grass-root level is a must to motivate the prospective entrepreneurs. The prospective entrepreneur must be guided and training must be provided to him.

Tara Nand Singh Tarun and Devandra Thakar (1986) reveal that the fundamental problem of Industrial development in India is the problem of transplanting and acclimatizing the fruits of technology so as to raise the whole level of productivity.

Prahalad Kurnar Suman (1986) examine the overall performance of the Bihar state Industrial development Corporation and expresses systematically and scientifically the troubles faced by the corporation.

Radhey Shyan Singh (1986) in his study makes an analytical survey of the institutional sources of finance to the SSI and other small / tiny units, after critically examining the various aspects of the functioning of the financial institutions for the growth of the small-scale sector.

Ram Dawar (1986) has made an attempt to examine and appraise the operation of the hire purchase schemes of the national small Industries Corporation and the state small industries corporation, particularly the Andhra Pradesh small-scale industrial development corporation.

Agarwal (1987) reports that the Indian banking system has failed to extent appropriate amounts of loan to SIS. He is of the opinion that lending institution should be more practical and flexible in their attitude rather than
strictly legal with a view to enabling the borrowing units to overcome any temporary difficulties.

Nisar Ahmad (1987) has made an effort to critically examine, both at micro and macro levels, the operational and other problems of the small-scale and cottage Industries in India with special reference to the state of Jammu and Kashmir.

Sandesara (1988) made a study of assistance programmes for small-scale industries. The study revealed that units producing items in the reserved list did not show away superior performance over other units, mainly because the easy entry for new small-scale units had intensified the competition among the small units.

Ram Vepa (1988) in his study discusses the growth of small-scale Industry, organizational structure, some key issues, and field planning for small-scale Industry and its prospectus for nineties.

Sandesara (1988) describes the Institutional framework for the small and medium Industries in India. The impact of assistance on firms in this sector and the working of these institutions are also analyzed. He argues for a fresh approach to the institutional set-up and policy framework for this sector.

Reddy (1988) in his study on sickness in small-scale Industry states that the existence of large magnitude of nonviable sick units is a threat to industrial progress; there is an urgent need to review the situation and take remedial measures.

Rao (1989) makes an enquiry into the functioning of all state Industrial Development Corporations in India with a view to find out to what extend the objectives have been fulfilled. The causes for good and poor performance are also identified.

Kalchetty Eresi (1989) throws light on the various sources of long term and short-term finance and the problem faced by the units in raising such
funds. He also enquires into the policies procedures and practices of small units in managing their finance.

Nasir Tyabji (1989)\(^{66}\) analyses the structure of small-scale Industries and role of small Industry policy as a component of the Indian development process and changes in the structure of Industry and nature of small enterprise development.

Sidhartha Shankar Dash and others (1990)\(^{67}\) in a study under taken in Balasori district in Orissa attempt to analyze the operational problems in launching SSI units. They conclude that although policies are good, often delay in implementation and faulty implementation upset the entrepreneur's plan and in many cases lead the production process to a standstill.

Theophilus (1990)\(^{68}\) observed that the operation of SSIs in India and Nigeria encounter similar incidences and show the same environmental characteristics for their progress. He suggests that there should be a separate ministry exclusively for SSIs at the central level headed by a central minister in both countries.

Sharma (1990)\(^{69}\) in his study made an effort to make an over view of sports goods Industry, Micro Industry c f selected centers, problems at different levels, role of institutions and future perspective.

In a study conducted by Berry, Albert and Mazumdar Dipek (1991)\(^{70}\) states that small-scale industry has been important in the successful development of many of the economies of East and South Asia, both in cases like Japan, Korea and Taiwan where import-substitution preceded and/or accompanied the manufactured exporting phase and in Hong Kong, the only essentially Laissez Faire economy in the region. An important general characteristic of the small-scale sector and one long commented upon in the Japanese case, is the prevalence of subcontracting relationships either with larger manufacturing firms or with traders.
**Tambunan Tulus (1991)** examines the role of small-scale Industries in Economic development of Indonesia. This survey as the macro-level leads us to a much less pessimistic view of the performance of SSI units in Indonesia though obviously imperfections in comparison with medium and large-scale Industries do exist. It also gives mention to a critical question of appropriate policies needed to support this sector.

**Steel William and Webster Leila (1991)** investigate the hypothesis that small enterprises play an important and dynamic role in the structural adjustment process and in Africa's Industrial development. It discusses the role of small enterprises in the industrial development and introduces the adjustment context, the evolution of large and small-scale Industry in Ghana, and the Economic recovery program and its impact.

**A study conducted by Benjamin Solomon (1991)** explores the small-scale Industry that has grown and thrived in informally developed communities of rudimentary buildings and dirt roads surrounding the city of Delhi. It presents an overview of Delhi's informally developed suburbs, called unauthorized colonies, discusses their growth and regularization, and introduces the setting in which small-scale manufacturing exists within such colonies.

**Dias Syrian (1991)** examines the scale, nature and effects of current sub contracting linkages between small and large Industries in Sri-Lanka. In general weaker relationships exist between large and small industries, however strong links exhibit with respect to more organized few large firms. The reason for this weaker relationship is the immaturity of small Industries in meeting the requirements of large Industries in terms of technology, production cost, and quality and delivery services.

**Prem Kumar, Asit Ghosh (1991)** in their study on management of small scale Industry explains the management practices and performance of small-scale Industries and their relationship with demographic features,
production, planning and control of SSI, financial planning and control and Institutional structure for assistance of SSI and also the technology change for SSI.

Raghurama (1991)\textsuperscript{76} tries to analyze the problems faced by small-scale units while availing themselves of bank finance. The problems faced by the bankers and the procedures adopted by the bank in extending finance are also examined.

Abraham (1991)\textsuperscript{77} report that the success or failure of any small enterprise depends mainly on the entrepreneurship, support system and the environment. He stressed that the success or failure is determined mostly by the human element involved in industrial enterprise.

Ashok Arora (1992)\textsuperscript{78} in his study examines the role of various institutions at the state level responsible for rendering assistance for the growth of small-scale industries in Punjab. This study also outlines a profile of the growth of small-scale industries in Punjab.

Panda and Meher (1992)\textsuperscript{79} studied sickness of the SSI sector in Orissa state-sector wise growth of sickness in the SSI units between 1979 and 1987. It is seen that Industrially backward states like Bihar, Orissa, Andhra Pradesh, Madhya Pradesh and U.P have high rate of sickness that of industrially advanced states like Gujarat, Maharashtra, West Bengal and Karnataka.

Balla (1992)\textsuperscript{80} in his study discusses the centralized vs. decentralized policy towards small and medium enterprises, technological policy for small and medium enterprises in China.

Jamuar (1992)\textsuperscript{81} in his study discusses the development of small-scale and cottage Industry in India and the role of small-scale Industry in India, the present position and problems of small-scale Industry with special references to Industrial sickness, government policy and measures to develop
small-scale and cottage Industry and new Industrial policy on small-scale and
cottage Industry.

**Rama Swami (1993)** in his study examines three hypothesis regarding small- scale manufacturing units. namely: small firms use more labour per unit of capital, they produce more output per unit of capital and small firms use resources more efficiently than large firms in terms of total Factor Productivity. The analysis indicates that capital intensity and partial productivities are sensitive to alternative measures of firm size. And total factor productivity is not found systematically related.

**Ahmad Jaleel (1993)** made an attempt to throw light on the question as to whether trade and industrial policies in developing countries discriminate against the development of small and medium scale industry. This is done by a detailed examination of the structure of tariff and non-tariff Protection as well as industrial policy measure, such as foreign exchange allocation and licensing.

**Venugopal (1993)** observed that Governmental agencies set up for promoting village and cottage Industries are inactive and their performance is below the level of expectations. He argues that the survival of village and cottage industries depends on their ability to become competitive. Their efforts should be to reduce cost and improve quality through technological up gradation.

**Ramabijoy (1993)** in his study analyses government support, capacity under utilization marketing and financing power and transport of small-scale Industries and also the entrepreneurship and management of sickness.

A study by **Somwanshi (1993)** in Marathwada region revealed that the problem related to management of the SSI in dominant factor for sickness. It disclose that as many as 60 percent of units are reported to sick due lack of managerial staff. The units to extent of 25 percent reported that their sickness
was the outcome of low prices prevailing in the market. Quality of the product was far from satisfactory, nature an absence of packing glamour. It is only 15 percent units found to be crippled mainly because of their in ability to maintain proper books of accounts and other problems.

Ganesh Kumar (1993)\(^87\) in his study observed that KFC has disbursed more amounts of loans and all the loans are of long term nature. The Cost and terms of the loan from KFC are found to be more attractive. In addition obtaining loan from KFC is found to be less difficult process despite all these positive factors, it is observed that KFC has made less impact on the development of SSI in Kerala.

Pillai (1994)\(^88\) in his study analyzed the future role of small-scale sector in the evolving economic setting and the challenges it may have to face to sustain its place as an important contributor to the development process.

Thomas. T. Thomas (1994)\(^89\) states that there is a need for extensive education of the small-scale industrial units promoters in general management and specifically in the fundamentals of marketing management.

James Manalel (1994)\(^90\) reported that the working of banks and financial institutions showed that the total assistance made available in Kerala for SSI units was comparatively small. The effectiveness of any incentive packages, however well designed it may be, depends on the quality of the system of delivery. The state has comparable package on record, but the quality of delivery of the same was perceived by the entrepreneurs to be poor in relation to what units in other states get.

Hari Kurnar (1994)\(^91\) in his doctoral thesis state that the industrial sickness is spreading in the country at an alarming rate. Compared to other sector, the incidence of sickness is significantly higher in the SSI sector. Sickness is growing at an alarming rate in southern region of India. Kerala witnessed phenomenal increase in sickness. In Kerala entrepreneurs lack
entrepreneurial culture and heritages, Entrepreneurship Development Programmed are not achieving desired results.

At a seminar on prevention and cure of sickness among SSI units held in (1994) at Hyderabad\textsuperscript{92}, it was stated that experience from Kerala shows that an overdose of incentives was one of the main reason for turning healthy units in to sick units NGO.

Rao (1995)\textsuperscript{93} reported that the potential for investment related to technology requisition and transfer in small-scale and medium sector has assumed considerable significance in their interest to face the challenges of liberalization and globalization of markets.

Schmitz, Hebert (1995)\textsuperscript{94} in their study are concerned with the growth of small local industry in developing countries and explores one particular route for understanding and fostering such growth. It focuses on the clustering of firms and the competitive advantage, which they derive from local external economies and joint action, captured in the concept of collective efficiency.

The international prospective planning team (1995)\textsuperscript{95}, which made an extensive study of India's small-scale industries, was of the opinion that Government; efforts for the promotion of this sector were largely scattered and dealt with only isolated segments of the problem.

Prasad (1995)\textsuperscript{96} in his study state that, there has been a steady growth in the flow of Institutional finance to SSI during the last two decade. But inadequate accesses to credit both short term and long term remain a perennial problem of the small-scale sector.

Himachalam, Jayachandran, Narendra Kumar (1995)\textsuperscript{97} in their study on financing of small-scale units by Andhra Pradesh state finance corporation reveals that though the state financial institutions came into existence to promote small-scale units, their effort to extend financial, managerial and technical assistance have been far from satisfactory, and they have failed to fulfill the expectations.
Sharmila Dayal (1996)\textsuperscript{98} reported that the available resources of Uttar Pradesh Finance Corporation [UPFC] has increased manifold during the period of study yet it failed to cope with the growing needs of industrialization of the state.

Reports (1996)\textsuperscript{99} that the high incidence of sick units in this sector was largely due to inconsiderate banking policies, the financial institutions must play a more active role in keeping track of the financial status of the units.

Vasant Desai (1997)\textsuperscript{100} reviews the institutional framework for promoting small-scale industries in India. The institutional framework for the promotion of small scale industries aims at fostering the small-scale sector by solving their problem.

Akram (1997)\textsuperscript{101} in his study pinpoint the working results of the SSI corporation of various states and their national counterpart, national small Industries Corporation.

The RBI report (1997)\textsuperscript{102} highlighted that the main reasons for industrial sickness is non-SSI weak units are such internal factor as deficiencies in project management and short coming in project appraisal, as also such external factors, as non availability of raw material, power shortage, and transport bottlenecks increase in overhead cost and fall in demand.

Parsed and Kushik (1997)\textsuperscript{103} have traced out locus of comprehensive policies and programmed of the small-scale sector during the 50 years of independence.

Salim (1998)\textsuperscript{104} in his study proves that in most categories of industries there is more number of high performing units followed by moderate performing units. High performing units have more market orientation than low performing units. There is a strong positive correlation between market orientation and business performance.
Sindhu Hina (1998)\(^{105}\) in their study state that, employment generation has increased over a period of time. The other findings of the study are related to decline in employment in the household industries, and a decline in the contribution of the large scale sector to employment generation.

A study conducted by Hayami, Yujiro, and others (1998)\(^{106}\) reveal that marketing channels be established which connect small rural producers with large urban and/or foreign demand. This study investigates various forms of production and trade contracts being practiced at the grass root level in the metal craft manufacturing industry on the outskirts of Greater Manila in the Philippines.

Balasubrahmanya (1998)\(^{107}\) in his study describes the elements of India's small industry policy with specific reference to protective measures, and reviews its impact on the growth and efficiency of the sector.

Datey (1999)\(^{108}\) in his study titled practice manual to small-scale Industries discusses the importance of small-scale industries, clubbing of clearances of SSI and an overview of income tax, central sales tax, Finance to SSI and management of SSI units.

Mathew (2000)\(^{109}\) reported that small Industry policy in India is ambivalent. Divergence of interests and their expression through lobbying is a characteristic of any democratic policy. It is also not correct to consider the government as a machinery to immune such influences.

Vasandhara Raje (2000)\(^{110}\) stated that credit is an essential input for the working of small-scale Industries. Any delay or inadequate supply of credit is detrimental to the growth of the SSI units. Therefore timely and adequate availability credit is of crucial importance for setting up and for expanding the existing SSI units.

Moli. Koshy and Mary Joseph (2000)\(^{111}\) in their study reported that the considerable increase in the numl3er of women entrepreneurs is a result of the various support measures extended by governmental and non
governmental agencies and the changing attitude towards women entrepreneurship. However, women entrepreneurship registers low level in backward districts of Wynad, Kannur and Kasargod Specific programmed may be implemental in these areas to increase the level of entrepreneurship.

Suni George (2000)\textsuperscript{112} in his study observed that the policy of protection with privileges for SSI has induced this sector to remain small, to become more inefficient with poor product quality. It is not protection but competition should be the rule of the day.

Bagchi (2000)\textsuperscript{113} reports that though the small-scale sector contributes significantly to industrial output, employment and earning of foreign exchange it suffers from severe technological obsolescence and lack of economies of scale. The small industries development organization under the ministry of SSI and ARI has been providing institutional support for the promotion of technology but in a vast country like India these facilities are inadequate.

Kulkarni and Kaveri (2000)\textsuperscript{114} examine the need for support and extension services in accelerating its growth such support and extension services include, market intelligence, marketing services, modernization, technology up gradation, quality testing etc. It is also attempted to discuss the available institutional network in India to provide support and extension services.

Parag Pande (2000)\textsuperscript{115} in his study emphasis the need For extension of definition of small-scale Industry and revitalizing the law governing small-scale Industry and recommended the setting cp of growth centers to provide adequate infrastructure facilities.

Madhava Hejmadi (2001)\textsuperscript{116} surveyed 140 entrepreneurs from Dakshin Kannada District of Karnataka and concludes that the educational level contributes to success of an individual venture, as much as the family
and technical background. A part from the financial implications and a thrust self-motivation to achieve certain goals in the process.

**Ajay Lakhpal (2003)** studied the effectiveness of state sponsored financial institution in facilitating new venture. He served 58 entrepreneurs from the most industrialized district of Himachal Pradesh, who has been taken them from 20 states sponsored financial, promotional and training Institutions. He concluded that, the economic development of the state depends largely on industrial growth and entrepreneurial development of the state. In the priority sector lending the small scale of the state industries have not performed as well as the service sector. For better development of SSI the state has taken number of promotional activities. Various Infrastructure inputs are made valuable.

**Dr. (Mrs.) Meeralal (2004)** studied various entrepreneurship development programmers and their impact on development of entrepreneurship in country, the problems faced in the development of entrepreneurship in country. She concludes that the success of entrepreneurship depends upon (I) this level of knowledge (II) this willingness. This can be developed through E.D.P. The E.D.P. schemes may prove beneficial for increasing growth and productivity of economy. Such suggested that the corrective measures should go a long way making the until under the E.D.P. schemes an unequalled and unqualified success.

**Dr. G. G. Nandapurkar (2005)** defined agricultural entrepreneur, considering that the agricultural progress is inter play between progressiveness and entrepreneurial behavior of the formers. He studied 110 agricultural innovative entrepreneurs and their progressiveness (i.e. performance analysis) from Beed district of Maharashtra. He focused his attention on studying the correlation analysis of independent variables. He concluded that the independent variables namely education, Landholding, entrepreneurial behavior, knowledge about agricultural technology, vocational
diversification and credit urination were positively and significantly reeled with agricultural entrepreneurs (i.e. agricultural progressiveness). The factor age could not exhibit significant relationship with successful agricultural entrepreneurs.

A study conducted by Jose (2005)\textsuperscript{120} in Kerala revealed that the major problem faced by the SSI units are inadequate finance; shortage of raw material, low level of technology, difficulties in marketing and transportation, frequent power cuts, etc. The SSI also suffers from serious competition from large scale industries in terms of amount production, pricing quality of the goods, inefficient management and high rate of interest. The concludes that unless Indian Industrial Unit continuously upgrade, their technologies, it will be difficult for them to withstand international competitions airing from globalization. This applies more particularly to small scale unit as they lag both in terms of technology and competitiveness.

Bala Subramanism (2005)\textsuperscript{121} observed that the performance of SSI sector faces a tough challenge for its survival and growth in the period of the globalization. The study indicated that technological obsolescence and timely viability of adequate finance are the issue, which crucially determines the survival and growth of small firms. Moreover the SSI in India finds itself in an intensely competitive environment since 1991 due to globalization measures. As a result, its growth in term of units, employment output and exports has come down. This has resulted in less impressive growth in the contribution to national income and export in the 1991's.

Jagnnath Panda (2005)\textsuperscript{122} focuses on small scale entrepreneurs who on started their new venture in Gujarat state in his study entitled Entrepreneurship and Economic development which have grown up to the stature of potential Indian multinational like Cadila, Torrent, Core, Ashima, Adani, Bakeri and the Reliance. Smaller entrepreneurs like Ajanta, Rasana and syntax have their own success stories. Even hospitality and entertainment
sector has some novel and imaginative ventures in Gujarat through its new generation entrepreneurs. The purpose of this study is to analyze the different facets of entrepreneur’s development and its economic consequences in the state of Gujarat.

Xaviour V. M. (2006) evaluated the performance and problems of successful & unsuccessful, go small scale industrial entrepreneurs in Kerala. He studied the performance of the entrepreneurs in the promotion of their units, awareness of incentives, methods of supervision, distribution of their products, production of capacity utilization, employment and other major problems area. He compares the successful and unsuccessful entrepreneurs. He concluded that there is much different in performance and problems of successful and unsuccessful entrepreneurs. Certain problems and expectation of the entrepreneurs are common to both categories. He suggested that, the efforts might be made by the authorities to solve the problems and suitable steps should to be taken to provide the needful as expected by the entrepreneurs so that the growth of small sector will touch new horizon.

Patel A. R. (2007) discussed some of the factors which induce and other factor that impede the growth of women entrepreneurs. He was of the opinion that new entrepreneurs are now expected to come from non-traditional groups. He examines the Kerala & Gujarat experiences & the role government action in term of planning & policy in the growth of women industrial entrepreneurship in India.

Vyankatesh (2007) analyzed the role of entrepreneurs, environment and bankers perception towards to sickness of SSI. The study highlighted that the sickness was mainly due to low level of technical knowledge of the entrepreneurs, this was followed by failure in brand image and absolute production technology regarding environmental factor, the study observed that the major factor was the competition from MNC’S on the bankers
perception, the credit institution underlay emphasized the security for their loans disregarding the evaluation of project viability.

Vidyut Kumar (2007)\textsuperscript{126} in his study take the review of SSI sector in Goa revealed that the SSI units are the vibrant segments of go an Economy. However in recent years the incidence of sickness and closure among SSI units in Goa has increased a sizeable displacement of workforce. The SSI sector in Goa, have shown downslide mainly due to inadequate credit flow and infrastructure facilities low quality products and use absolute technology besides challenges of competitions from opening up of economy, globalization, need for increasing exports and WTO commitment.

Dr. Kalurkar S. P. (2008)\textsuperscript{127} studied & presented various aspects entrepreneurship i.e. reasons for support to small technical firms, role of SSI innovation of SSI, innovative contribution of SSI, role of government etc. In his study, he surveyed 200 owners of small technical firm and presented some novel finding regarding the responsible factors for establishment are growth of small technical firms and highlighted the essential ingredient training and educational programmer for SSI owners. He concluded that the technical institutes, in any part of the country could help SSI with the existing infrastructure and help for the regional development.

S. Jagdish Pandit (2008)\textsuperscript{128} undertakes a study on sickness of small scale industries entitled “Incidence of sickness in small scale units” highlighted on various factors responsible for sickness of SSI units. He concludes that many of the entrepreneurs lack in managerial competences. The study also indicates that 56.25 per cent of the units borrowed working capital loans from institutional sources. As far as infrastructure in concern, power cut is one among the reason for low production. Regarding marketing of the products 68.75 percent of the units were suffered from problems of mobility constraint. He suggested that a national scheme should be framed to provide employment for the workers which are deployed from close units, a
prepare management information system to collect information of various aspects of rehabilitation programmed and setting up industrial parks, etc.

**Guruprit Bal (2009)** explored the various dimension of relationship between tradition and enterprise in the specific context of three districts nature of entrepreneurship, pattern of investment range of business activities, participation of family members and skill formation process in this communities with a view to drive common characteristics. This analysis suggested that the evolution of entrepreneurial culture involved primordial lies social and use of information and family resources. He concluded that the tradition and modernity should be treated as duality and does not as an exclusive categories or dualism.

**Desai (2009)** in his published book “Environment and Entrepreneur” undertake a review of entrepreneur, entrepreneurship and environmental effects. As per his opinion the concept of entrepreneurship has assumed prime importance both in research and in action for accelerating economic growth in developing countries. He examined entrepreneur and entrepreneurship the person and the process are the critical factors for growth of organizations. The study bring with the person and the process, conceptual framework and geographical origins, concept of entrepreneurial function and gap in economic theory together with expiations of entrepreneurial talents as a model for environments.

**V. Vijaya and T. J. Kamalnabhan (2010)** argued that there is a need to treat entrepreneurial motivation as a separate entity and meaningful inferences. They tried to develop a scale relevant to the Indian Context to measure entrepreneurial motivation. The sample for the study was drawn from 195 potential women entrepreneurs. They have developed five core motivation i.e. (1) the entrepreneurial core motivations (2) the work core motivation (3) the social core motivation (4) the individual core motivations
and (5) economic core motivations. These core motivations are identified with the help of factor analysis by principal component method.

**Jha and Agrawal (2010)**\(^{132}\) in their study titled “Potentials, Prospects and Problems of SSI: A Case Study” analyze that the small scale industries in Varanasi possess a high export potentials. The factors which contribute to their growing potentials are the location of the units, availability of means of transportation & communication, flow of domestic and foreign tourists, availability of power, availability of cheap labour, nearness of different markets, promotion and rigorous support by the government, export promotion measures, financial assistance, etc. The limitation of this study is that this study is limited only to the Varanasi area. The findings of this study cannot be generalized to the other areas of the country.

**Singh et al. (2012)**\(^{133}\) analyzed the performance of Small-Scale Industry in India and focused on policy changes which have opened new opportunities for this sector. Their study concluded that SSI sector has made good progress in terms of number of SSI units, production and employment levels. The study recommended the emergence of technology development and strengthening of financial infrastructure to boost SSI and to achieve growth target.

**S. C. Chen and J. A. Elston in (2013)**\(^{134}\) investigated the characteristics of entrepreneurial activity among the small business owners in developing country, specifically in Chinese restaurant industry. They collected primary data by using survey questionnaires in four cities across three provinces in China. They used descriptive statistical analysis and found three main results. First, the small entrepreneurs were characterized by autonomy seekers, family protectors, or profit seekers. Second, the small entrepreneur’s generate funding predominantly from private sources rather than institutional. And third, entrepreneurial business was the main sources of the family’s income.
Modi (2014) in his research article titled “Problems and Prospects of Indian Small Scale Industries” found that Small Scale Industries have been playing an important role in Indian economy in terms of employment generation and growth. These industries contribute more than 35 percent of the total volume of exports of the country. In spite of having huge potentialities, the small scale industries in India could not progress satisfactorily as these industries are suffering from various weaknesses such as absence of credit facilities, absence of organized marketing facilities, lack of machinery and equipments, irregular supply of raw materials, etc. Due to all these weaknesses the development of SSIs could not reach a prestigious stage and this affects the potentiality of SSIs in the domestic as well as export markets.

Despite the large number of studies conducted on various aspects of Entrepreneurship and small scale industries no comprehensive study has been undertaken to find out Entrepreneurship development in the state of Maharashtra (Aurangabad, Ahmednagar and Jalgaon districts). The present study is an attempt to fill the gap.
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