CHAPTER 8

CONCLUSIONS

8.1 Introduction

This chapter summarises the study, highlights the findings along with presenting suggestions.

8.2 Summary of the Study

Entrepreneurship is considered as the engine of economic growth and can be used as an effective tool for employment creation, poverty eradication, balanced regional development and inclusive socio-economic development. It is the process of setting up and running of business enterprises. It involves functions such as risk taking, innovation, planning, organising, coordinating and controlling various resources. An entrepreneur identifies own capabilities, generates project ideas and selects the most suitable plan, determines form of organisation, comply with promotional formalities, procures resources, determines specific business objectives, undertakes day to day business operations, monitors and controls performance and brings necessary changes in the enterprise.

Entrepreneurship in the form of MSMEs is considered as an ideal tool for an inclusive economic development. They foster diversification of economic activities and provide increased employment through labour intensive process. They are easy to set up even in rural and backward areas and encourage growth of local entrepreneurship. They create a decentralised pattern of ownership and results in equitable distribution of income and wealth. They utilise locally available resources, promote production and exports with comparatively lesser investment.

Emergence and development of entrepreneurship depends upon various factors like availability of administrative and physical infrastructure, supportive government agencies, favourable socio-economic factors of entrepreneurs, encouraging local environment, availability of resources needed for enterprises and so on. These
factors may not be same in all the regions. Hence, there may be regional differences in entrepreneurship.

Kerala State geographically, for the purpose of the study, can be classified into two regions. The southern region consisting of Thiruvananthapuram, Kollam, Pathanamthitta, Alappuzha, Idukki, Kottayam, Ernakulam and Thrissur districts, and the northern Region consisting of Palakkad, Wayanad, Kozhikode, Malappuram, Kannur and Kasaragod districts. Secondary data show that in respect of primary sector (agriculture and allied sector, forestry and logging, fishing, and mining and quarrying), secondary sector (manufacturing sector, construction sector, electricity, gas, water supply output) and tertiary sectors (storage, communication, trade, hotel and restaurant, banking and insurance, real estate ownership and public administration sectors) the northern region is backward and has not attained a proportionate (both per capita and per square kilometer) development as compared to that in the southern region. Within the districts, also there are differences in the northern and the southern regions of Kerala. Hence, the present study aims to examine whether there exist regional differences in entrepreneurship in MSMEs between the northern and southern regions of Kerala.

The study is analytical in nature using both primary and secondary data. It is empirical in nature based on survey method. The entrepreneurs in MSMEs in the northern and southern regions of Kerala constitute its population. Primary data are collected through a structured questionnaire. A pilot study was conducted. Multistage random sampling method was used to choose the sample entrepreneurs. Three districts each were selected from the northern and southern regions, randomly. From each district, 50 entrepreneurs were selected randomly, making a total sample size of 300. The statistical tools such as percentages, arithmetic mean and standard deviation are used to analyse the primary data. The secondary data are analysed using percentage, CAGR, arithmetic mean and standard deviation. In order to test the significance of difference between the regions in respect of variables, the hypothesis testing tools such as Pearson Chi-Square, One way ANOVA, t test and Scheffe test are used. The tables, charts and other diagrams are used to present
various data. A multiple regression model has been used to know how the socio-economic factors are contributing to generate a satisfied entrepreneur.

8.3 The Major Findings
The major findings of the study are summarised as follows;

8.3.1 The Status and Growth of Entrepreneurship in MSMEs in the Northern and Southern Regions of Kerala
A brief historical review has shown that the southern region had several historical advantages like visionary rulers, entrepreneurial contacts with foreigners, proximity to State capital, location-wise superiorities etc., which were not available in the northern region.

The study has found that as compared to the southern region, the northern region has only lesser infrastructural facilities needed for entrepreneurial development. The road, telephone, postal, education, medical, water supply facilities, banking services, availability of vehicles etc., are lesser in the northern region as compared to that in the southern region. The per capita number of general and professional work seekers and credit deposit ratio are lesser in the northern region than that in the southern region, indicating that the northern region is in a disadvantageous position with regard to labour and capital.

The study has found that the number of (major and minor) industrial estates, development areas / development plots, area allotment and MSMEs working therein, developed by SIDCO, DICs etc., are lower in the northern region as compared to that in the southern region. Not even a single DA / DP is promoted in Wayanad district in the northern region. All the state level agencies / institutions for entrepreneurship, except District Industries Centres and the state level offices of all the national level institutions are located in the southern region. While SIDCO is head quartered in Kochi, KSIDC, K-bip etc., are in Thiruvanathapuram (the southern region), for which there is no effective branch office in the northern region.

The study has found that in the northern region, the status of entrepreneurship in MSMEs, as measured by number of units, number of MSME enterprises promoted by women, entrepreneurship by SC / STs, value of output, investment made and
employment opportunities etc., created are lower as compared to that in the southern region. Decadal analysis using per capita and per Sq. Km., has also proved this. The analysis of Compounded Annual Growth Rates (CAGR) has shown that entrepreneurship in MSMEs in the northern region has lower growth than that in the southern region.

Testing of hypotheses has proved that status of entrepreneurship is lower in the northern region as compared to that in the southern region and there is significant difference between the regions in this regard. However, there is no significant difference in the annual growth of entrepreneurship between the regions.

**8.3.2 Demographic and Socio-Economic Factors Affecting Entrepreneurs**

The study has found that in both the northern and southern regions of Kerala, male dominate over females in entrepreneurial activities. Young entrepreneurs are more in the northern region than that in the southern region. In the southern region, there is more number of married entrepreneurs than that in the northern region. In the southern region religion-wise, a mixed group takes active part in entrepreneurship as against the northern region, where entrepreneurship is concentrated with persons belonging to Hindu religion.

The study has found that in the southern region, majority of entrepreneurs belong to urban area, as against majority of entrepreneurs in the northern region belongs to rural area. The level of education of entrepreneurs in the southern region is higher than that of entrepreneurs in the northern region. In the northern region majority of the entrepreneurs has no specialisation in any of the disciplines as compared to that in the southern region. More number of entrepreneurs in the southern regions was ‘average’ performers during their education period than that in the northern region.

In the southern region, more number of entrepreneurs has selected entrepreneurship as their first career choice than that in the northern region.

In the northern region, it was ‘temporary nature’, which prompted more number of entrepreneurs to leave their earlier job and pursue entrepreneurial career. In the southern region, dissatisfaction in job has caused them to shift to entrepreneurship.
In the northern region, more number of the entrepreneurs got technical skills from their prior experience than that in the southern region.

Testing of hypothesis has proved that in respect of 10 demographic and socio-economic factors of entrepreneurs there is significant difference between the northern and southern region of Kerala. However, in respect of 13 demographic and socio-economic variables there is no significant difference between the regions.

8.3.3 The Factors Encouraging / Discouraging a Person to Become an Entrepreneur in the Northern and Southern Region of Kerala

There is significant difference between the regions in respect of factors encouraging / discouraging a person to become an entrepreneur. The encouragement by individual, family, society level and economy level factors are lower in the northern region as compared to that in the southern region.

In the northern and southern regions, the individual, family, society and economy related factors encourage persons to become an entrepreneur. Between the regions, there is significant difference in respect of their encouragement for persons to become an entrepreneur. In the northern region, encouragement is lesser than that in the southern region. Among the four factors, a person is most encouraged by individual factors, followed by family factors. The economy related factors are least encouraging people in becoming an entrepreneur. Factor analysis shows that the individual factors and family factors together have contributed to about 60 per cent of the entrepreneurship in the northern region, where as in the southern region it is about 64 per cent. Thus, these two factors account for the development of entrepreneurship.

Testing of hypothesis has proved that factors affecting entry into entrepreneurship are less encouraging in the northern region than that in the southern region and there is significant difference between the regions in this regard.

8.3.4 Major Motives for Individuals to Become Entrepreneurs

The study has found that in the northern region, the most important motive for persons to become an entrepreneur is ‘to get income for living’, followed by ‘to become wealthy by earning profits’ and ‘for social status and prestige’. In the
southern region, the most important motive for persons to become an entrepreneur is ‘to become independent’ followed by ‘desire to create something new’ and ‘to create employment opportunities in the society’.

Testing of hypothesis has proved that major motives for individuals to become entrepreneurs are different in the northern and southern regions of Kerala and there is significant difference between the regions in this regard.

8.3.5 Characteristics of Entrepreneurship in MSMEs in the Northern and Southern Regions of Kerala

The study has found that in the southern region, larger number of persons becomes entrepreneurs by purchasing an existing unit than that in the northern region. More entrepreneurs are able to develop their project ideas from themselves in the southern region than that in the northern region. In the southern region, more number of entrepreneurs has chosen location for their enterprise due to ‘home land’ factor than that in the northern region. Except for a few, government incentives are not attracted entrepreneurs to start enterprises in the northern region.

Enterprises in the northern region are younger than that in the southern region. In the northern region, sole proprietorships are more popular form of organisation than that in the southern region. Partnership firms and companies are lesser in the northern region as compared to that in the southern region. In the northern region, metal-based industries are dominating while other types of industries are smaller in percentages. However, in the southern region, there is no domination of any particular industry. In the northern region, more number of persons started their enterprise based on their prior experience than that in the southern region. In both the regions, majority of the enterprises are of perennial nature.

In the case of casual enterprises, operation from own building, number of full-time employees and tapping of raw materials from the other districts, the northern region lags behind the southern region. Whereas tapping of external sources for working capital and dependence on individual money lenders are more in the northern region as compared to that in the southern region. Willingness to install solar panels, willingness to modify / expand existing units, participation in trade fairs / exhibitions, getting guidance from research centres / labs, use of quality control
mechanism in the enterprise, membership in MSME clusters etc., are lower in the northern region as compared to that in the southern region.

More number of entrepreneurs in the northern region is dissatisfied on the present performance of their enterprise as compared to that in the southern region. The Multiple Regression Model has found that, economic and family factors are the main predictors of entrepreneurial satisfaction. In the northern region, more number of entrepreneurs considers that their decision to become an entrepreneur as a wrong one, as compared that in the southern region.

Testing of hypothesis has proved that in respect of majority of variables, there is significant difference between the northern and southern regions of Kerala in respect of characteristics of entrepreneurship in MSMEs.

**8.3.6 Functional Problems Faced by Enterprises in the Northern and Southern Regions of Kerala**

Entrepreneurs in the northern region face more severe financial, marketing, labour, raw materials, government related, environment related, infrastructural and personal skill / knowledge related problems in their entrepreneurial activities than that in the southern region. There is significant difference between the regions in respect of all the functional problems, except marketing problems, faced by the entrepreneurs in MSMEs.

In the northern region, labour is the most severely faced problems of entrepreneurs, followed by government related problems. These two problems are very critical in the northern region, and exert serious adverse effect on the development of entrepreneurship in the region. The least severe is personal skill / knowledge related problem. Scheffe test has grouped labour related and govt. related problems together showing that they have similarity in their severity in the northern region. The infrastructural and govt. related problems, financial and infrastructural problems, marketing and raw material problems etc., are the other groups based on the similarity in their intensity. Scheffe test shows there is similarity in the severity in the financial and govt., related problems, environmental and infrastructural problems, raw materials and marketing problems faced by the entrepreneurs.
Testing of hypothesis has proved that entrepreneurs in the northern region face more functional problems than that in the southern region and there is significant difference between the regions in this regard.

In brief, it is found that as compared to the southern region, the northern region has backwardness in entrepreneurship in MSMEs. This is mainly due to its historical disadvantages, insufficient infrastructural facilities, unfavourable socio-economic environment and existence of more functional problems. Thus, it can be said that regional differences exist in entrepreneurship in MSMEs between northern and southern regions of Kerala.

8.4 Suggestions

Entrepreneurship development in a region requires planned and focused interventions in all the relevant areas. It requires policy improvements, institutional assistance and support in different functional areas. The governments at both the centre and the state have taken several measures for entrepreneurial development. Even then, the regional disparity in the status of entrepreneurship in MSMEs between the northern and southern regions of Kerala has not been reduced. The study has found that the northern region is backward in respect of different types of infrastructures and also that the functional problems faced by entrepreneurs are more severe in the northern region as compared to that in the southern region. The existing problems / issues should be solved and a sustainable model should be designed for promoting for entrepreneurship across the length and breadth. Hence based on the findings of the study, a humble attempt has been made to suggest measures for developing entrepreneurship in MSMEs in the northern region.

8.4.1 Create / Improve Infrastructure

In order to develop entrepreneurship in MSMEs in the northern region, the primary initiative should be for creating / improving physical, institutional and administrative infrastructure. Physical infrastructure like road, water supply facilities etc., and industrial infrastructure facilities like communication facilities, industrial estates, DAs / DPs etc., need to be improved. Institutional infrastructure like education facilities, medical facilities and banking services need to be enhanced.
Services of administrative infrastructure like DICs, KSIDC etc., need to be improved.

- Techno Park and Info Park have led to the development of information technology in the southern region. Similarly, in the northern region, suitable industrial parks and Special Economic Zones (SEZs) for promoting MSMEs need to be set up.

- There is an urgent need to develop high quality road network in the northern region, connecting all the areas. Public Works Department and Central Public Works Department need to ensure that high quality road transportation facilities are available in the northern region connecting every nook and corner, without which it is not possible to ensure mobility of factors of production and finished goods.

- Since postal communication remains active in the northern region, Indian Postal Department need to ensure that people in the northern region is adequately covered with post offices and postal services.

- Bharat Sanchar Nigam Ltd., need to increase its capacity and operations in the northern region. It needs to set up more service centres in order to increase the quantity and quality of customer services. Telephone connection not only enables to enhance speed of oral communication, but also helps to enjoy internet through broadband connectivity. Email, web pages, social media sites and other various facilities of internet not only will expand the scope of business exposure to a global level but also will help to reduce cost, increase efficiency, speed, and thereby enable capacity augmentation. Private players in the telecom also can take increased initiatives in this regard.

- Govt. of Kerala needs to invest heavily on enhancing educational facilities in the northern region. The region invariably requires more number of high schools with State syllabus, the Schools following CBSE syllabus and ICSE syllabus, Vocational Higher Secondary Schools, arts and science and engineering colleges. New courses, which are important from the perspective
of entrepreneurship, should be started. Both public sector and private sector need to give a serious attention and time bound action in this regard.

➢ Govt. of Kerala needs to increase medical institutions and facilities in all the three forms (Allopathy, Ayurveda and Homeopathy) of health care in the northern region. More number of beds, enhanced quality and quantity of services should be provided in the region.

➢ Govt. of Kerala needs to increase the number of water supply schemes in the northern region. The coverage of the people, number of water supply connections and street taps etc., should be increased.

➢ Banks in Kerala need to give a serious attention to the northern region. In spite of ‘Lead Bank Scheme’ started in 1969, the northern region still remains under banked and hence needs to set up more number of bank branches in different parts of the region and initiate intense deposit mobilisation campaigns and disbursing them for entrepreneurial activities. Though, as part of financial inclusion policy, ‘payment banks’ are allowed to operate throughout the country since 2015, in order to enjoy the benefits of comprehensive banking facilities, conventional bank branches needed to be opened in the northern region.

➢ More number of major and mini Industrial Estates should be developed in the northern region on an extensive basis with state of the art facilities. State and Central Government agencies like DIC, SIDCO, KSIDC, KINFRA etc., need to give more attention in the northern region in order to acquire more land for estates, create basic and advanced facilities for the functioning of entrepreneurial unit and allot them to most deserving entrepreneurs. Strict monitoring is needed with regard to timely setting up and continued running of units in the space allotted and on the purpose of use of land. After the shed allotment, if keeps unutilised, the allotted space should be taken back by the sponsor and reallocate to next deserving entrepreneurs. Since granting of title deed may lead to sale of land by one entrepreneur to another at exorbitantly higher rate (as opined by several entrepreneurs during personal interview), this should not be permitted. However, in the absence of title on land,
entrepreneurs cannot avail any bank loan based on the security of land. Thus, a conditional title can be granted in which, the entrepreneur can have absolute title except for sale or transfer of land to another person (except to the lender bank).

8.4.2 Boost Entrepreneurial Growth

Since the Compounded Annual Growth Rates (CAGR) of MSME entrepreneurship in the northern region is lower as compared to that in the southern region, serious efforts are needed to increase growth of entrepreneurship. Industrial backwardness can be removed only with the help of an exclusive MSME package for the northern region. Special schemes and relaxations are needed for the growth of MSMEs. Measures like supporting tie-ups with different vital components of entrepreneurship, offering tax holidays / tax exemption etc., can be considered in this regard.

8.4.3 Interventions required in Respect of Demographic and Socio-Economic Factors Affecting Entrepreneurs in MSMEs.

For a favourable influence of the demographic and socio-economic factors affecting entrepreneurs in MSMEs, there is a need to conduct more awareness and training programmes on entrepreneurship in the northern region. In order to increase participation in entrepreneurship by persons belonging to all the religions, innovative promotional programmes can be organised. Attitudinal changes are to be promoted. Since in the northern region, the entrepreneurs are lesser from urban area (35 per cent), there is a need to improve entrepreneurship among people residing in urban places. Entrepreneurs in the northern region are with lower education status. Since setting up of college or other educational institutions will take long time, as an immediate solution, regular short-term training courses can be conducted with the help of training agencies. The training sessions should cover business opportunities, procedural formalities and exposure on various skills relevant for entrepreneurship. In the long run, adequate number of educational institutions should be set up.
8.4.4 In Respect of the Factors Encouraging / Discouraging an Individual to Become an Entrepreneur

In order to make the individual factors encouraging, intensive training need to be imparted. Developing human resources with skills and professional qualifications should be initiated on an urgent basis. Initiatives like Additional Skill Acquisition Programme (ASAP) should focus more on the districts in the northern region. There is a need to give a boost for EDPs in the northern region. A professional entrepreneurship research cum training agency should be set up exclusively for the northern region having sub centres in all districts in the region. On-the-job (linking with business incubators) and off-the-job training need to be conducted. Training programme for prospective entrepreneurs must be conducted after identifying untapped potential of the district. Hence, more than conducting a mere awareness programme, training sessions should lead a prospective entrepreneur to set up an entrepreneurial venture. For existing entrepreneurs training programme should focus on updating of latest technologies, changes in legal and procedural requirements, and changed state, national and international market scenarios etc. The EDPs, on a regular basis, should impart training covering all the aspects of entrepreneurship in MSMEs. In order to increase the number of satisfied trainees, EDPs should be strictly improved quality and quantity-wise. For individuals with basic qualification, apprenticeship programme in nearby industrial cities should be given.

In order to improve family encouragement, there is a need to create a general feeling in the society that entrepreneurship is a rewarding profession having support from all the corners and can be run successfully in the prevailing socio-economic set up. The government and media should convey the society that entrepreneurship is not a function of exploitation by somebody to make undue profit; rather it is a unique function of creating employment opportunities, eradicating poverty, making available goods and services needed for a society. In the personal interview, the respondents have expressed the displeasure that the entrepreneurs, who take unlimited financial and psychological risks, are not getting enough recognition, either from the society or from the government. Hence, Government needs to implement annual awards to outstanding entrepreneurs at district, block and grama panchayat / municipality / corporation level in different industries. There is a need to
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develop a code of fair and professional service in government offices for requirements of entrepreneurship. In order to create deep social influence, entrepreneurship must be included as a topic of study right from the high school level and as a compulsory subject for higher studies. This in turn calls for a set of measures on the part of government for creating a favourable milieu for entrepreneurship in MSMEs. Also, need to develop remedies for the problems faced by the existing entrepreneurs.

8.4.5 Highlight Non-monetary Entrepreneurial Motives

The analysis of motives of individuals to become an entrepreneur in the northern region indicated that monetary benefits (income for living and wealth) are the most attracting elements as against non-monetary (independence and doing something new) in the southern region. Hence, in order to expand entrepreneurship in the northern region, non-monetary benefits like independence in working, opportunity to create something new, creating employment opportunities for society etc., need to be projected and convinced in training / promotion programmes. Creating awareness at school and college levels may help to bring attitudinal changes among the prospective entrepreneurs in the northern region.

8.4.6 In Respect of the Characteristics and Problems of Entrepreneurship in MSMEs in the Northern Regions of Kerala.

The study has found that entrepreneurs in the northern region face more functional problems (financial, marketing, labour, raw materials, government related, environment related, infrastructural and personal skill / knowledge related problems) in entrepreneurship than that in the southern region. Among them, labour and government related problems are very severe. The following suggestions are given for solving those problems

In order to eliminate the problem of lack of adequate labour, government need to stop comparatively lesser / unproductive welfare schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREG) at least in States like Kerala where people are alert enough to find one or other employment for themselves. In the personal interview, majority of the entrepreneurs have opined after the implementation of MNREG Scheme, unskilled labour have started earning adequate wages even
without much effort and started showing hesitation to work in industrial units. Government offer of rice at one Rupee or two Rupees and highly subsidised medical facilities etc., have reduced the cost of their living. This has discouraged people in working six days in a week. If cannot be withdrawn completely, MNREG Scheme should be used to create industrial labour hours. In Kerala, it will be worthy, at least, if the Scheme is targeted to generate productive agricultural labour hours. In order to overcome the shortage of labour, all the technical and engineering courses should include at least one semester (six months) compulsory work experience in industrial units for each student, with a stipend. This will also enable those students to think of entrepreneurship as their career option in future.

The government should establish an agency to manage raw material procurement and marketing of goods of MSMEs exclusively for entrepreneurs in the northern region. The agency, equipped with professionals should keep a database of sources of different raw materials and different markets (both domestic and international), purchase them in bulk for the benefit of entrepreneurs, stock them and finally distribute them at competitive rates. Support for export and supply in different domestic markets across the country should be provided. Warehouses can be set up in all districts of the northern region for storage.

Scientific Research Centres / Labs should be set up in the northern region for providing scientific and technical guidance on various aspects, for entrepreneurs. Testing facilities, guidance on quality management, alternative tools / mechanisms, emerging national and international best technological developments should made available at these Centres.

The District Industries Centres (DICs), the basic interface between the entrepreneur and the government should be thoroughly revamped. The officers should be given minimum 3-5 years of service in a single DIC so that they can bring a comprehensive improvement in the entrepreneurial scenario of the district. The DICs should be equipped with qualified professionals in the offices in order to help / mentor entrepreneurial development in the district. The monetary rewards for officials in DICs should be fixed based on their performance and contribution to
entrepreneurship promotion. It should act as a permanent forum for guidance and consultancy for the entrepreneurs on a variety of issues.

- Government need to conduct state, national and international level trade fairs / exhibitions in different districts (based on the potential of the district) in the northern region.

- In order to meet the financial needs of the entrepreneurs, venture capital (including public private participation model), angel funds, and private equity models need to be promoted in the northern region. A special purpose vehicle can be promoted exclusively to finance MSMEs in the northern region. It should have its head quarter in the northern region. Government need to simplify the rules and regulations in this regard, particularly for easy exit. Working capital needs of the entrepreneurs should be met by the banks on urgent basis so that entrepreneurs can be saved from the debt trap of individual money lenders.

- The state and central governments as part of inclusive development approach need to open up major offices of all the state and central government sponsored / directly controlled agencies, engaged in promoting entrepreneurship in MSMEs, in the northern region. In addition district-wise sub offices are also needed for ensuring that the benefits of such agencies reaching in all the districts of the northern region.

- Digitalisation of all the procedural requirements and payments to government with simplicity and clarity will enable to reduce bribery and save time of entrepreneurs in government level compliances. An effective single portal should be made available for the entrepreneurs for all the requirements of entrepreneurship.

- Time limit should be set in government offices for granting services for entrepreneurs. For instance, granting a license should be done in say two days after the online filing of the application. In the absence of any objection within a specified time limit, it should be given auto approval. Even if objected, it must be informed and an earliest time should be given for
modification in the application. The objections raised by the government may be made public so that entrepreneurs can be more cautious in future.

- Procedures and formalities to set up enterprises must be simplified, very clear and rationalised so that the entire formalities to start an enterprise must be able to finish within 1-2 days or even within a lesser number of hours. Rules and regulations must be consistent and should not be changed frequently and never with a retrospective effect. Instead of renewing licenses / permits every year, a validity of 5-10 years can granted, unless it is so vital to examine the justification for continuing the license / permit every year. In order to avoid revenue loss to government, for each year, fee can be levied online for license / permit from the enterprises.

- The government must make entire procedural compliance and payments online so that it can reduce corruption, bring transparency, save time and effort of entrepreneurs.

- Subsidy / incentive should not be offered for the entrepreneurs at the time of setting up of the unit. In order to meet initial set up costs, alternative forms of funding, such as private equity, angel funds etc., should be promoted. The study has shown that incentive / subsidy has not attracted a major group of entrepreneurs towards entrepreneurship. In the personal interviews, entrepreneurs have opined that some individuals, without having any genuine interest in running an enterprise, enter the industry only to get incentives / subsidies and to obtain plots in industrial estates. After availing all the benefits, after a few years of keeping the plot unutilised, they will resell the plots for an exorbitantly higher prices. Large number of entrepreneurs have opined that more than incentives / subsidies, in order to set up a unit, what they need is a faster facility for completing all the formalities within a few days, getting all the licenses / permits and approval, (including water / electricity connections) and support to get bank loans at reasonable rate of interest. Incentives / subsidies may be offered for supporting the running of the enterprises or for expansion / development of the unit. This will help to
ensure that the subsidy / incentive are given for worthy project and not get wasted.

- Legal / judicial procedures need to be speeded up. Each legal dispute / conflict related with an enterprise must be settled latest within two weeks from the date of its identification. Fast track courts / special weekend sitting by judges for settling entrepreneurship related legal (including tax issues, labour issues and so on) issues should be a routine event. Long years’ legal battles lead to a gross loss of valuable time and efforts of entrepreneurs and judiciary.

- Cluster Development Programme, started in 1998 and modified in 2006, though has many good intentions, has met with certain bad experiences. Entrepreneurs have opined that after setting up of up of a cluster unit, with the participation of all the eligible beneficiaries, there is no mechanism to monitor the utilisation of funds and facilities. Often financially stronger units control the working of cluster units and use for the benefit of their own units and denying the benefits for smaller units. Hence, regular monitoring of the cluster units is necessary. More cluster units should be started across the districts and industries in northern region.

- The government needs to adopt a win-win policy in respect of entrepreneurship so that any problem faced by an enterprise should be solved by ensuring success of both the government and the entrepreneur. People are raising pollution related complaints against enterprises, which were working for more than even five years. After even several years of setting up of the enterprise, people may be deciding to stay in nearby location. A few months after staying, they start filing complaints against the enterprise on pollution and demand the closure of unit. Immediately after the complaint receipt, the local government authorities will send ‘stop memo’ to the entrepreneurs. In some cases, the wastes of manufacturing process may be harmful or polluting the environment or surrounding area. As a remedy, certain area in region must exclusively demarcated for industrial activities. No residence should be permitted there. The government with an equal participation of
enterprises must develop sustainable waste management mechanism in each industrial area. Even public-private-people (PPP) model, sharing costs and benefits in an agreed ratio, can be considered. A separate firm or system should be developed recycling/reusing the wastes and unwanted particles. Technical assistance of both national and international level institutions can be requested for this purpose. Visiting industrially developed areas/nations will help to get insights about how different types of waste management are done in those areas.

- In order to promote entrepreneurship among SC/STs and women, the promotional agencies should develop innovative business models. Among SC/STs, lack of awareness or personal skill/knowledge related problems are found to be common. Hence, intensive and rigorous training on entrepreneurship at the initial and at regular intervals are needed. Specific business idea based orientation may give a better result to promote entrepreneurship among them. In order to meet initial shortages, business incubation or similar other business models can be adopted. Though protection and more care is needed towards women entrepreneurs, giving undue financial support may not yield any desired result. At all point of entrepreneurship, they should be adequately guided, morally encouraged and professionally supported so that more number of females may turn into entrepreneurship in the male dominated profession.

### 8.5 Scope for Further Research

The present study has examined the status of entrepreneurship, demographic and socio-economic factors influencing entrepreneurs, characteristics and problems of entrepreneurs in the northern and southern regions of Kerala. It leaves scope for answering various other research questions in this area. Some of them are indicated below;

1. Whether the attitudinal factors affecting entrepreneurship are significantly different between the northern and southern regions of Kerala?
2. Whether there is any interstate regional difference in entrepreneurship in MSMEs in India? If so, what are the characteristics and issues?

8.6 Conclusion

This chapter has summarised the whole study, highlighted the findings and made suggestions for the development of entrepreneurship in MSMEs in the northern region of Kerala. Though all the suggestions are particularly stated for the northern region, in order to solve the problems persisting in the southern region, the relevant suggestions can be applied for the southern region also.