Chapter - II

RESEARCH DESIGN

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2.1 INTRODUCTION

Entrepreneurship development is rapidly acquiring significant attention now-a-days and that is the only solution for all the problems faced by our nation, objectives of industrial development, regional balance, employment generation etc., which depend upon active role played entrepreneurs and enterprises. India is facing the serious problem of unemployment. With a view to providing employment to the educated youth, Government is trying its best to provide all sorts of facilities. In India, majority of the people are living in the rural areas. These people belong to different religions, castes, etc. The present study is an attempt to study the entrepreneurial participation of backward classes in the process of economic development.

No comprehensive research study has till been conducted on role of backward classes in the field of entrepreneurship. The backward class consists of number of categories such as SC, ST, VJ, NT1, NT2, NT3, OBC. These backward classes categories are financed through special corporations established by the Government of Maharashtra for their development. These institutions are Mahatma Phule Backward Development Corporation, Lokshair Annabhau Sathe Development Corporation and Vasantrao Naik Vimukta Jati and Nomadic Tribal Development Corporation.

It is very difficult to observe and probe an entrepreneur. The subject matter is very sensitive and extremely delicate. All entrepreneurs have a shroud of secrecy of their trade around them, so all possible efforts was
made to evolve the methods of employing a scientific approach, and logically founded results. During the planning stage of the investigation, first objectives of the study were laid down.

2.2 OBJECTIVES OF THE STUDY

The study aims to achieve following objectives:

1. To trace out the socio-economic background of backward class entrepreneurs.

2. To examine the awareness of backward class entrepreneurs about entrepreneurship development programme and scheme of special corporations for backward classes.

3. To examine the performance of backward class entrepreneurs.

4. To analyze the strength and weaknesses of backward class entrepreneurs.

5. To examine the views and aspirations of backward class entrepreneurs regarding the special corporations for backward classes development.

6. To analyze the problems and difficulties faced by the backward class entrepreneurs.

7. To suggest the suitable measures and remedies for the development of entrepreneurship among backward classes.

It was considered that the personal interview method based on common scheduled of questionnaire was the best suited with a view to make the study manageable in every respect.
2.3 STATEMENT OF HYPOTHESES

The hypotheses of the present research work are as follows.

1. Backward class entrepreneurs do not have an entrepreneurial heritage.

2. Lack of socio-economic background availability of finance, proper motivation, training, are the stumbling blocks in the ways of entrepreneurship development among the backward classes.

3. Backward class entrepreneurs are not aware and awaken about the various schemes and programmes of special corporations established by government for backward classes.

4. Special Corporations for backward classes are not generating positive environment for entrepreneurship development among backward classes.

2.4 METHODOLOGY AND SAMPLING

The methodology of the research work is outlined here:

2.4.1 Nature of Study

The study is explanatory and descriptive in nature. As it is based on data personally collected with the help of an exhaustive schedule.

The descriptive study has a task of describing the characteristics of a group, community or section or classes of people. For this study, random sample survey method is used. While conducting the study, the sample were taken from the population of backward classes entrepreneurs especially those were financed and assisted by special corporations established by the government of Maharashtra for the development of
backward classes. These corporations were MPBCDC, LASDC, and VNVJNTDC.

2.4.2 The Sample

In the first phase of the study, during the reference year, 2000-2001 the list of 2397 beneficiaries were collected from the district office of MPBCDC, LASDC and VNVJNTDC. The list consisted the number of beneficiaries of MPBCDC, LASDC, and VNVJNTDC as 1194, 836 and 367 respectively.

In the field investigation of researcher, it is observed that, out of total beneficiaries, about 50 percent units of beneficiaries did not exist. There addresses were not proper and most of them were dummy entrepreneurs.

Table 2.1 shows that according to list furnished by MPBCDC, LASDC and VNVJNTDC, the total number of beneficiaries was 2397 and the sample size fixed at 5 per cent. Thus the sample size is 120. Sample is also shown on Graph 2.1.

<table>
<thead>
<tr>
<th>Name of the Corporations</th>
<th>No. of Beneficiaries as per the list provided by the corporations</th>
<th>5 Percent Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>Mahtma Phule Backward Class Development Corporation (MPBCDC)</td>
<td>776</td>
<td>418</td>
</tr>
<tr>
<td>Lokshahir Annabhau Sathe Development Corporation (LASDC)</td>
<td>543</td>
<td>293</td>
</tr>
<tr>
<td>Vasantrao Naik Vimukta Jati and Nomadic Tribes Development (VNVJNTDC)</td>
<td>239</td>
<td>128</td>
</tr>
<tr>
<td>Total</td>
<td>1558</td>
<td>839</td>
</tr>
</tbody>
</table>

Source: Collected from Latur District Offices of MPBCDC, LASDC, and VNVJNTDC, Latur.
Graph 2.1
Sample Backward Class Entrepreneurs

![Bar chart showing the number of units for different entrepreneurial categories in MPBCDC, LASDC, and VNVJNTDC. The chart indicates the number of units for Urban, Rural, and Total categories.]
While collecting the list of the beneficiaries of the concerned corporations (MPBDC, LASDC and VNVJNTDC) it was observed that, the beneficiaries are divided into urban, rural basis, roughly in the proportion 66.67 : 33.37 respectively. Therefore, while deciding sample size on urban-rural criteria such a peculiar characteristics were taken into consideration and accordingly 80 respondents were taken from urban areas and 40 respondents were taken from rural areas.

2.4.3 Source of data

The data for this study was collected both from primary and secondary sources.

**Primary data**

Primary data was collected from the selected 120 samples units with the help of pre-tested schedule. While preparing the schedule an attempt was made to have as many structured questions as possible. The selection of questions in the scheduled was made an eye on tabulation.

The schedule was prepared covering socio-economic profile of backward class entrepreneurs, their motivations for beginning the entrepreneurial activities, awareness and awakening about various schemes and programmes of special corporations established by the government of Maharashtra for their development. Their strengths, weaknesses, general problems, special problems as they belongs to backward classes, views and aspirations towards the special corporations established by the government of India and government of Maharashtra.
While filling the schedule, the interviews were largely conducted at the working places of the respondents. Besides some interviews were also conducted at the residence of the respondents and thereby schedules were filled.

At the time of interviews with respondents and while filling the schedules, researcher attempted to explain the purpose, importance, objective etc. of the study to the respondent.

So as to avoid the misinterpretation and misunderstanding of the questions in the schedules were explained amicably and lucidly to the respondents. So, the respondents explained their maximum co-operation positively without any hesitation.

The responses of the respondent in the field work was very challenging and interesting. Because, the respondents were mostly illiterate, socially, economically, culturally backward, and suspicious about such strange interview. But after explaining the purpose, importance, etc. of the study, the same respondent come forward enthusiastically to explain in detail about their ambition, problems, difficulties, needs, etc. related to their entrepreneurial activities and aspirations towards the special corporations established by the government of India and government of Maharashtra for their development.

Researchers kept his eyes always open while visiting the various units and thus observation method adopted as supplementary technique for the study.
After collecting the primary data, through above media, that collected information was verified before being used for the analysis.

**Secondary Data**

In addition to the primary data, information was also collected from the various sources. These sources are as under:

1. NSFDC
2. NBFDC
3. MPBDC
4. VNVJNTDC
5. LASDC
6. LIDCOM
7. IMVDC
8. MCED, Aurangabad
9. NISET, Hyderabad
10. Cesnus Reports of India.
11. Statistical abstracts of Maharashtra
12. Other government of India and government of Maharashtra publications, journals, books, etc.

**2.4.4 Reference period**

Financial assistance provided to those backward classes entrepreneurs during 1996-2001 is the reference period for the survey data. In fact, in order to study backward classes entrepreneurship in Latur district, a survey of 120 selected backward class entrepreneurs was conducted during 2000-2001.
2.4.5 Statistical Tools

Collected data was analyzed by applying statistical tools such as averages, percentages, comparison, chi-square test, etc. to arrive at conclusions.

2.5 OPERATIONAL DEFINITION OF VARIABLES

Entrepreneurs' background, information - here pertains to profile of entrepreneurs. The information provides the basic characteristics of entrepreneurs selected for the study. The following aspects were used to provide background data on the entrepreneurs and their units.

2.5.1 Origin-Caste and Community

It means the category of the backward classes and the religion of the entrepreneurs.

2.5.2 Economic Status

Socio economic status means the level of standard of living in the society prior to the start-up of the enterprise. Entrepreneurs' were classified on the basis of the activity they have undertaken i.e. manufacturing, trading, service and others.

2.5.3 Age

The age of entrepreneurs were taken as the age at the time of start-up of the unit.

2.5.4 Marital Status

The marital status of the entrepreneurs at the time of initiation of an unit.
2.5.5 Education

Education of entrepreneurs includes level of education. Level of education was classified into five categories like, illiterate, less than SSC, SSC/HSC, graduates and technical degree holders.

2.5.6 Family Background and its environment

This aspect includes data on economic status of the family during the entrepreneurs' early socialization, occupation of family, level of education, locational status, family system, and environment.

2.5.7 Finance

This includes total capital investment in the units, raising up of finance which has been provided with the information on own contribution, subsidy and loan element.

2.5.8 Man-power

This includes number of persons working in the units.

2.6 SCOPE AND LIMITATIONS OF THE STUDY

1. The study is limited to a geographical area of Latur district.

2. It was decided to limit the study to the entrepreneurs who satisfied the following criteria:

   a. The unit must be actually engaged in the farming, manufacturing, trading and service sector.
   b. The present owner must be also the founder owner of the unit. It means only first generation entrepreneurs are included.
   c. Interviews were administered to those sample entrepreneurs whose business units were actually running.
3. The study is restricted to backward class entrepreneurs which have been financed bank loan by the recommendations of special corporations for backward classes development established by government of Maharashtra viz. Mahatma Phule Backward Class Development Corporation, Lokshair Annabhau Sathe Development Corporation, and Vasantrao Naik Vimukta Jati and Nomadic Tribes Development Corporations.

4. The beneficiary entrepreneurs of IMVDC and LIDCOM have been excluded from this study because of non-availability of data and late functioning of the said corporations in the district.

2.7 OUTLINE OF THE THESIS

This work is presented in eight chapters divided into two parts, Part A and Part B. Part A includes five chapters while part B includes three chapters. The details are as follow:

Chapter I - Introduction
Chapter II - Research Design
Chapter III - Review of Literature
Chapter IV - Institutions for backward classes and entrepreneurial development.
Chapter V - Profile of Latur District.
Chapter VI - Entrepreneurial participation of backward classes.
Chapter VII - Performance, Aspirations, and Problems of sample entrepreneurs.
Chapter VIII - Conclusions and Suggestions.