CHAPTER I

Introduction

1. Introduction

1.1 Significance of the study

1.2 Role of SSI in Indian Economy

1.3 Concept of entrepreneurs

1.4 Concept of SSI and micro units

1.5 Entrepreneurs from backward community

1.6 Objectives of the study

1.7 Hypothesis

1.8 Period of the study

1.9 Methodology

1.10 Scope and limitations of the study

1.11 Chapter scheme of the study

1.12 Summary
1 INTRODUCTION:

To attain the socio-economic objectives of the nation, entrepreneurs play a stupendous role. Entrepreneur is an individual or a person who undertake trading, manufacturing and distribution of goods and services to community with a view to maximize return on investment and to improve the living standard of the community. The word entrepreneur is derived from the French word entreprende, which means 'to undertake.' The Webster Dictionary explains that the term entrepreneur is applicable to 'one who organizes, manages, and assumes the risks of a business or enterprise.' The general perception is reflected by the definition in the BBC English Dictionary, which refers to an entrepreneur as 'a person who sets up a business.' Thus, entrepreneurs undertake an enterprise at their own financial risk and main intention is to earn profit and economic development of a nation.

The idea of entrepreneurship has undergone indicative changes from being associated with criminal activity to becoming essential to industrial development and economic growth. Fritz Redlich, a 20th Century German Scholar, drew a comparison between the military adventures of mercenary captains in the 15th century Europe and the risk-taking aspect of the entrepreneurial function. Richard Cantillon (1680-1734), a 19th century Irish Economist, observed that an entrepreneur makes careful use of the factors of production with a view to ensuring optimum returns on investment. French writer Jean Baptiste Say suggested that an individual entrepreneur is a dynamic change agent who acts with exceptional fore-thoughts and makes significant contributions to economic progress through the process of taking risks. Scottish Economist and moral philosopher, Adam Smith (1723-1790) described entrepreneur as a
person who organizes industrial activity. From the aforesaid views expressed by the scholars, economists, it is clear that entrepreneur uses resources of production, assumes moderate risks with the intention to enhance profit.

The entrepreneurs are aggressive catalyst for change in the world of business and they are independent thinkers who dare to be different amid a background of common events. The literature of entrepreneurial research reveals some similarities as well as a great many differences in the characteristics of entrepreneurs. Chief among these characteristics are personal initiative, the ability to consolidate resources, management skills, a desire for autonomy, a strong desire to achieve, perseverance, hard work combined with high activity level, and an ability to take risks. Other characteristics include aggressiveness, competitiveness, goal-oriented behaviour, confidence, opportunistic behaviour, intuitiveness, reality-based actions, the ability to learn from mistakes and the ability to employ human relation skills. Thus, these characteristics enable entrepreneur to manage entrepreneurial activities effectively and forcefully to achieve the goals of the organization.

Entrepreneurship represents the actions of entrepreneurs in developing new products, processes, or business. Entrepreneurs are innovators and risk takers. They tend to see commercial opportunities and seize the initiative to transform commercial ideas into commercial enterprises. Entrepreneurs start a new business, a process called venture initiation. Entrepreneurs might also be innovators within an existing business enterprise, such as scientists, engineers, or managers. Entrepreneurs adapt or improve existing products or introduce new product lines to the firm. Entrepreneurship is an agent of growth and change in an economy. Because of the vital role of entrepreneurship in business activity and production, it is sometimes viewed as a factor of production, joining human resources, natural resources, and capital goods.

In this context, in view of the present highly competitive business environment, new products, process, techniques are indispensable to enhance profit, market share, corporate image, and other objectives of the organization. Due to globalization, today customers have more options. With the help of new and improved product, process an entrepreneur can achieve his objectives.
In a developing country like India, there ought to be some issues in entrepreneurship development. According to Prahalad (2004), inability and inconsistencies in enforcing laws, bureaucratic interpretation of rules, lack of firm political commitment, lack of accountability, hooliganism and political muscleman, lack of rule of law, lack of control of corruption are significant in developing countries. \(^5\)

Thus, looking to the aforesaid issues, there is an urgent need to improve all these obstacles in the growth and development of entrepreneurship in India and create conducive environment for entrepreneurial activity.

Growing unemployment, particularly skilled unemployment is an acute problem of the nation. The available employment opportunities can cater to only 5 to 10 percent of the unemployed people. When government creates, say a 100 jobs in various departments, 100 persons get employed and the vacancies are filled for thirty years or so till these people retire and the vacancies re-emerge. If 100 persons become entrepreneurs, they not only create a hundred jobs for themselves, but also provide employment to many more. As the time passes, these enterprises grow providing direct and indirect employment to many more. Thus, entrepreneurship is the best way to fight the evil of unemployment. \(^6\)

In view of the above, no doubt, increasing unemployment is a serious problem in India. The aforesaid views indicate that entrepreneur is more beneficial to the nation to generate more employment opportunities directly and indirectly to community than created by the government. Govt. has recognized the significance of entrepreneurs and entrepreneurship activities. For an entrepreneurship development, government has set up national and state level training centres and institutions across India. They conduct training and development programmes to existing and potential entrepreneurs and provide various kinds of amenities to uplift the micro and SSI units because this sector helps to generate more employment opportunities and finally balancing economic growth of entire India.
1.1 SIGNIFICANCE OF THE STUDY

India is facing many problems. One of them is unemployment which can be overcome with the help of setting up micro and small scale industries because this sector has a potential to generate massive employment opportunities and to reduce regional imbalance. According to a research study (Venkataraman 1993:565), while the output employment ratio is the lowest in the micro and small-scale sector, employment-generating capacity of small sector is eight times that of the large scale sector. P.C. Mahalanobis (1988-1219) also supports the view that micro and small industries are fairly labour intensive. He mentions that with any given investment, employment possibilities in micro and small enterprises would be ten to fifteen or even twenty times greater in comparison with corresponding factory system.

Several studies reveal that the SSI sector enjoys an excellent employment generating capacity in India. According to studies made under the auspices of the Government of India for the country as a whole, small scale manufacturing industries provide one job for every Rs.3000 to Rs.5000 and trading business/industry Rs.500 to Rs.1000 incremental investment. In comparison, average large scale industry provides one job for incremental investment of Rs.15,000 to Rs.25 crores.

On the basis of the investment of small scale and large scale industry, the aforesaid figures show that comparatively small scale sector generated excellent job opportunities than the large scale industries.

If any small business in the developed countries has received special attention, it is because it has been the fountain head of innovation and creativity. Studies have brought out that a large number of innovations have come from small, rather than large businesses. As these innovative firms entered the market, they made profits and created jobs. In the US, Presidents Jimmy Carter and Gerald Ford emphasized that small businesses created 60 percent of the new jobs in the United States and this employment generation was due to its better financial
performance. Similarly, the Bolton Committee in 1971 and Wilson Committee in 1979 also concluded that the small business in UK had higher profitability than any large business.

In view of the above, no major industry of any particular products can come up without the support of its ancillary industries. Now, this ancillary industries are nothing but the micro industries or small scale industries and not only they are part and parcel of the connected product industries, but also they work as catalyst for promoting particular product. And it is generally found that the number of employment opportunities given by ancillary industries is approximately much more than the employment generated by the major industries. Apart from that it gives chances for promoting new entrepreneurs working specially in the field of small scale industries. Mr. Jimmy Carter and Gerald Ford found the importance of the ancillary and small scale industries very much and they have promoted it on a very large scale during their tenure as Presidents of America.

Further, this was boosted and confirmed by the Bolton Committee (1971) and the Wilson Committee (1979) and insisted to follow this policy for the welfare and employment of large number of people who are skilled and unskilled.

In India too, small-scale enterprises whose employment potentiality is generally considered to be very high, have been assigned a greater role through the economic reforms initiated in the recent past. In view of the growing unemployment which could be the result of many factors including a shift that has taken from labour intensity to capital intensity in Indian agriculture over a period of time (Mehra, 1976; Vidya Nathan, 1980) and also the increasing nature of capital intensity of large industries (Hirway, 1991), the pressure on land is high and increasing and has already resulted in a large surplus of labour in rural areas (Papola, 1982), and hence small sector gains importance in accommodating such increasing labour force. In this context, there are many reasons responsible for enhanced unemployment and to reduce this problem, small-scale sector has potential to absorb the surplus manpower from agriculture and other sectors in India.

In a labour-abundant and capital-scarce country like India, small scale industries have come to occupy a significant position in the planned industrialization of the economy. Most
small-scale industries have a low capital intensity and high potential for employment generation. Besides, they possess locational flexibility which serves as an effective instrument for achieving a wide dispersal of industries. Small-scale industrial units also serve as an instrument in achieving a wide dispersal of industries. Further, small scale units serve as a means of bringing forth indigenous entrepreneurship and savings lying dormant, particularly in semi-urban and rural areas. Thus, due to various edge of small-scale industries, this sector has acquired highest position in the Indian economy because this sector comparatively creates more employment opportunities for community which is the need of the nation for overall socio-economic development.

Although the development plans have given high priority to industrialization, industrial development has not led to high employment gains nor created any perceptible changes in the structure of employment. It was, therefore, felt that direct employment generating measures are necessary to supplement long term growth strategies. It was felt that the development of small enterprises will stabilize employment and provide adequate control over the extent and timing of employment. From the time of industrial policy resolution of 1956, the government made extraordinary efforts in creating the climate and infrastructure conducive to a healthy growth of the small-scale industrial sector. Technical assistance, financial arrangements, materials, marketing assistance and even managerial guidance have been provided as and when appropriate. Thus, no doubt, government is giving different types of help and creating favourable business environment to small-scale sector. Now through EDP, many types of help are available to existing and potential entrepreneurs to commence and manage his entrepreneurial activities.

Small enterprises exist in the form of factories, workshops, trading and service organizations and range from the most modern and up-to-date enterprise to the simple and traditional units. The operational range varies from independent enterprises to ancillaries, subcontractors and vendors engaged in catering to the needs of the markets, extending from the domestic to the global horizon. These enterprises exist in various forms such as proprietorship, partnership, companies or cooperatives. Mostly, these are set up in the private and cooperative sector, cooperatives are in fact more popular in the service sector as provider of common facility
service. In fact, there are various forms of small enterprises and their operational range and existence also varies according to their forms.

Small enterprises represent the fountain head of vitality for the national economy. At the end of the ninth plan, small scale industrial sector including village industries accounted for over 55% of the gross value of output in the manufacturing sector and over 40% of the total exports of the country. It also provided direct employment to 245 lakh people. What is more, certain groups of small enterprises such as electronics, engineering and leather have made impressive progress. The small scale sector has also achieved a high degree of sophistication and made significant progress in quality upgradation and standardization. They have also given fillip to entrepreneurship development.

Looking to the overall contribution of the small scale industrial sector, this sector is important to nation to eradicate unemployment and finally to accomplish the overall socioeconomic objectives of the nation.

Entrepreneurship development has made significant contribution in providing employment to millions of people, generating foreign exchange for the growing economy, contributing to value addition and utilizing the vast human and natural resources of the country. Entrepreneur is a person who habitually creates and innovates to build something of recognized value around perceived opportunities.

Therefore, entrepreneurship plays a major role in the economic growth of the nation largely through contributions and employment opportunities created by the micro and small scale entrepreneurs.

Government is giving all types of help to industrialization and of course to the entrepreneurs of the region. This strategy of the government to promote industrialization and entrepreneurship development attracts attention of the planners which is a welcome approach.
1.2: ROLE OF SSI IN INDIAN ECONOMY

The several important reasons why these small industries are contributing a lot to the progress of the Indian economy are enumerated below:

1. Production: The small enterprise plays a vital role in the growth of the country. It contributes almost 40% of the gross industrial value added in the Indian economy. It has been estimated that a million rupees of investment in fixed assets in the small-scale sector produce 4.62 million worth of goods and services with an approximate value addition to 10% points.

2. Employment: SSI sector in India creates largest employment opportunities for the Indian population next only to agriculture. It has been estimated the 1,00,000 rupees of investment in fixed assets in the small-scale sector generates employment for four persons.

3. Export: SSI sector plays a major role in India’s present export performance. It contributes 45%-50% of the Indian exports. Direct exports from the SSI account for nearly 35% of the total exports. Besides direct exports, it is estimated that SSI units contribute around 15% to export indirectly. This takes place through merchant exporters, trading houses and export houses. They may also be in the form of export orders from large units of the production of parts and components of use for furnished exportable goods.

4. Opportunity: The opportunities in the SSI are enormous due to the following factors.
   (a) Less capital intensive.
   (b) Extensive promotion and support by government.
   (c) Reservation for exclusive manufacture by SSI.
   (d) Project profiles.
   (e) Funding – Finance and Subsidies.
   (f) Machinery procurement.
   (g) Raw material procurement.
   (h) Man power training.
   (i) Technical and managerial skills.
(j) Tooling and testing support.
(k) Reservation for exclusive purchase by government.
(l) Export promotion.

In view of the above scenario, this sector played excellent role in respect of production, employment, exports, and many other benefits to Indian economy.

1.3 CONCEPT OF ENTREPRENEURS.

The New Encyclopedia Britannica defines entrepreneur as an individual who bears the risk of operating a business in the face of uncertainty about the future conditions. Schumpeter, an authority on the subject, defines entrepreneur as one who starts an industry, undertakes risk, bears uncertainties and also performs the managerial function of decision-making and coordination.

1.4: CONCEPT OF SSI AND MICRO UNITS

For the research study the definitions of Micro, Small and Medium Enterprises Development Act 2006 was used. The MSMED Act 2006 classifies enterprises broadly into (1) manufacturing enterprises and (ii) service enterprises. These broad categories are further classified into micro enterprises, small enterprises and medium enterprises depending upon the level of investment in plant and machinery and equipment as the case may be.

(1) Manufacturing Enterprises:

(a) Micro Manufacturing Enterprises: Enterprises engaged in the manufacture/production, processing or preservation of goods and whose investment in plant and machinery does not exceed Rs.25 lakhs.

(b) Small Manufacturing Enterprises: Enterprises engaged in the manufacture/production, processing or preservation of goods and whose investment in plant and machinery is more than Rs.25 lakhs, but does not exceed Rs.5 crores.

(II) Service Enterprises:

(a) Micro Service Enterprises: Enterprises engaged in providing/rendering of services and whose investment in equipment does not exceed Rs.10 lakhs.
(b) Small Service Enterprises: Enterprises engaged in providing/rendering of services and whose investment in equipment is more than Rs.10 lakhs, but does not exceed Rs.2 crores.

In Indian economy, micro and small scale sector play an important role because in India labour supply is excess and capital is low. Therefore, this sector requires less funds and generates more employment opportunities, which is the need of the nation to overcome unemployment, poverty and regional imbalance problems.

1.5: ENTREPRENEURS FROM BACKWARD COMMUNITY:

According to Bharatiya Shishu Evom Mahila Vividh Vikash Samiti, New Delhi, entrepreneurship is particularly important as the so called “Scheduled Castes” have run and managed a number of traditional and cottage industries such as handicrafts, pottery, leather-work for centuries. The skills, know-how and domain of knowledge necessary for this purpose have been passed on from one generation to the next and are available with them even today. Our history is evidence that many small enterprises like fan-making, leather craft and manufacturing of musical instruments were their monopoly. These deserve to be revived with help of the new available technologies to make these neglected enterprises by traditionally skilled persons as successful entrepreneurship ventures. Another factor that contributes to the attractiveness of entrepreneurship in the context of this community is the feeling of self-worth and independence that it generates.19

Thus, in past, schedule caste entrepreneurs had monopoly in some businesses such as fan making, leather craft and manufacturing of musical instruments. These skills have been traditionally inherited from generations.

1.6: OBJECTIVES OF THE STUDY:

The objectives of the study are:

(i) To study the socio-economic condition of entrepreneurs belonging to backward communities.
(ii) To study the entrepreneurship development of the entrepreneurs belonging to backward communities.

(iii) To analyze the problems of entrepreneurs belonging to backward communities.

(iv) To study the policy measures for solving the problems of entrepreneurs.

(v) To analyze the performance of backward communities entrepreneurs.

(vi) To suggest suitable measures and remedies for the healthy growth of micro and small enterprises belonging to backward communities.

1.7: HYPOTHESIS:

Hypothesis of the present study are:

(i) The environment in Nanded District is conducive for entrepreneurship development for backward communities.

(ii) The awareness about constitutional provisions and welfare programmes declared by the government for backward communities is poor because of their poor socio-economic background, not having resources and contacts with govt development programmes.

(iii) The backward class community is far away from the heritage of entrepreneurship.

(iv) Socio-economic background directly relates to the development of entrepreneurship among backward communities.

1.8: PERIOD OF THE STUDY:

For the present study a period of 21 years from 1990-2011 has been selected. The period is adequate to achieve the objectives of the study.

1.9: METHODOLOGY:

In order to attain the stated objectives of the present study, analytical and descriptive methodology is used. Field survey methods have been adopted.

(i) Data Collection: The standard method was utilized to collect information in respect of micro and SSI units. The data was collected through primary and secondary sources.
Primary data: Micro and small scale entrepreneurs belonging to backward communities were interviewed by approaching personally by the researcher with the help of structured questionnaire which includes six sections – Section-I personal information; Section-II organisation; Section-III Capital fund, investment and turnover; Section-IV Capacity utilization, raw materials and marketing; Section-V Problems and suggestions; Section-VI General awareness. Every section has some different set of questions concerned with main theme.

Secondary data: Secondary data for the present study are collected from reference books, research journals, magazines, unpublished dissertations, thesis, websites etc. These datas have been collected from the sources such as Annasaheb Vartak College library, Vasai Road (W), Dist. Palghar; Mumbai University library, Santacruz, Mumbai; SNDT Women’s University library, 1 Nathibai Thackersey Road, New Marine Lines, Mumbai-400020; Sir Dorabji Tata Memorial library, Tata Institute of Social Sciences, Sion-Trombay Road, Deonar, Mumbai – 400088.

Study area: Nanded District is selected for the present study from Maharashtra State.

Sampling technique: The study comprises 26% of entrepreneurs of Nanded District belonging to backward communities whose number is SC-455, ST-34, OBC-271, Universe is 760. Accordingly, researcher has selected 79, 19, and 102 micro and SSI units from SC, ST, OBC entrepreneurs. The sample size is 200 units and selective sampling method is used.

In Nanded District, there are two MIDC centres and 4 urban and semi-rural industrial cooperative colonies in which number of backward class entrepreneurs are not found sufficient or optimum for research study. Therefore, researcher has selected the sample of backward class entrepreneurs from various talukas of Nanded District.

For the study of taluka-wise and category-wise respondents (entrepreneurs), data have been collected by the selective sampling method.

Presentation of data: For the purpose of analysis, the primary and secondary data collected have been suitably classified and tabulated.

Statistical tools: For data analysis and interpretation, the various simple statistical tools such as simple percentage, frequency, cross tabulations are used.
1.10: SCOPE AND LIMITATIONS OF THE STUDY:

The scope and limitations of the present research study are:

(i) The scope of the study covers micro and small enterprises of the entrepreneurs belonging to backward communities.

(ii) The limitation of this study is restricted to Nanded District only.

(iii) The period of the study is 21 years from 1990-2011.

(iv) The selection of sample is based on information provided by DIC Nanded.

(v) Units are spread over entire Nanded District; it is time consuming process for serving questionnaires and collecting data from entrepreneurs.

(vi) The study is restricted to entrepreneurs from backward communities of Nanded District. The category-wise list of micro and SSI units is obtained from DIC, Nanded.

<table>
<thead>
<tr>
<th>SR.NO.</th>
<th>TYPE OF INDUSTRY/FIRMS</th>
<th>NO. OF UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agro Agency, fertilizers</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Automobiles, garages, motor cycle service centre</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Bamboo Works, frame works</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Beauty Parlour, Hair saloon</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Beverages, Water Plant, Servicing, supplier</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Brick Suppliers, Cement</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Canteen and pan shop</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>Chemical Works, Drugs</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>Chit Funds</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Communication, Computer centres and internet Services, Typing Institute, Xerox</td>
<td>28</td>
</tr>
<tr>
<td>No.</td>
<td>Caste and Category</td>
<td>No. of Entrepreneurs</td>
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<tr>
<td>-----</td>
<td>--------------------------------------------------------</td>
<td>----------------------</td>
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<td>11</td>
<td>Electrical Services &amp; Electricals</td>
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<td>12</td>
<td>Engineering, Welding, fabrication works, powder coating</td>
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<td>13</td>
<td>E-setu &amp; E-seva Kendra</td>
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<td>14</td>
<td>Flour Mills and Oil Mills</td>
<td>6</td>
</tr>
<tr>
<td>15</td>
<td>Footwear and shoe making</td>
<td>7</td>
</tr>
<tr>
<td>16</td>
<td>Furniture, mattresses, steel furniture, plywood</td>
<td>21</td>
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<tr>
<td>17</td>
<td>Garments, Tailor</td>
<td>3</td>
</tr>
<tr>
<td>18</td>
<td>Gas Agency</td>
<td>3</td>
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<tr>
<td>19</td>
<td>Hardware Suppliers</td>
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</tr>
<tr>
<td>20</td>
<td>Ice-cream and factory</td>
<td>2</td>
</tr>
<tr>
<td>21</td>
<td>Mandap Decorators</td>
<td>1</td>
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<tr>
<td>22</td>
<td>Manufacturing</td>
<td>2</td>
</tr>
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<td>23</td>
<td>Mobile Recharge, sales &amp; repair</td>
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<td>24</td>
<td>Musical Band</td>
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<tr>
<td>25</td>
<td>Photo Studio</td>
<td>8</td>
</tr>
<tr>
<td>26</td>
<td>Plastic Water Storage Tank Mfg, Plastics</td>
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</tr>
<tr>
<td>27</td>
<td>Printing Press</td>
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<tr>
<td>28</td>
<td>Sand processing, saw mill, stone crushing</td>
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<tr>
<td>29</td>
<td>Tabla Maker</td>
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</tr>
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<td>Tent House</td>
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<tr>
<td>31</td>
<td>Trading</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>200</td>
</tr>
</tbody>
</table>

Source: Field survey

**TABLE 1.2**

CASTE & CATEGORY-WISE DISTRIBUTION OF ENTREPRENEURS

<table>
<thead>
<tr>
<th>Caste and Category</th>
<th>No. of Entrepreneurs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC</td>
<td>79</td>
<td>39.5</td>
</tr>
</tbody>
</table>
1.11: CHAPTER SCHEME OF THE STUDY:

(i) The first chapter – Introduction – describes the general introduction of entrepreneurship in India and significance of the study, role of SSI in Indian economy, concept of SSI and micro units, entrepreneurs from backward communities and research methodology of the study.

(ii) The second chapter – Review of Literature – depicts the brief review of past and recent studies on entrepreneurship development in Maharashtra and India.

(iii) The third chapter – Historical background of entrepreneurship development – narrates the historical background and theories of entrepreneurship in India, entrepreneurship and economic development, role of entrepreneurship development programmes in the entrepreneurship development.

(iv) The fourth chapter – Problems and prospects of backward class entrepreneurs – This chapter deals with problems and prospects of backward class entrepreneurs in general and Nanded District to be particular.

(v) The fifth chapter – Entrepreneurial profile of Nanded District – describes the entrepreneurship development in India – in brief, India geographical area, climate of India, trade and commerce in ancient India, industrial houses and complexes, entrepreneurship development in Maharashtra and entrepreneurial framework in Nanded District.

(vi) The sixth chapter – Analysis of entrepreneurship growth in Nanded District – focused on entrepreneurs age, education, category, religion, family income, occupation of fathers, grandfathers, total investment, turnover, and performance of entrepreneurs belonging to backward communities.

(vii) The seventh chapter – Conclusion and Suggestions – depicts the observations, conclusion and suggestions.
1.12: SUMMARY

The role of entrepreneurs in socio-economic development of a nation is very significant. Entrepreneurs not only produce and distribute goods and services to community, but also generate gainful employment opportunities for community to improve their standard of living. At present, India is facing many problems, but the most burning problem is unemployment. To overcome this most essential problem, the SSI plays a crucial role because this sector requires less funds and generates more employment opportunities. Therefore, government has recognised the significance of this sector to overcome the unemployment problems. Government is motivating to this sector through different schemes, subsidies, concessions, many amenities are also provided. Many institutions are supporting this sector because this sector has potential to generate more employment opportunities in comparison to large scale industries. According to a research study (Venkataraman 1993:565) while the output employment ratio is the lowest in the micro and small scale sector, employment generating capacity of small scale sector eight times that of large scale sector. P.C. Mahalanobis (1988:1219) also supports the view that micro and small industries are fairly labour intensive. He mentions that with any given investment, employment possibilities in micro and small enterprises would be ten to fifteen or even twenty times greater in comparison with corresponding factory system. Several studies reveal that the SSI sector enjoys an excellent employment generating capacity in India. According to studies made under the auspices of the government of India for the country as a whole, small scale manufacturing industries provide one job for every Rs.3000 to Rs.5000 and for trading business/industry Rs.500 to Rs.1000 incremental investment. In comparison, an average large scale industry provides one job for incremental investment of Rs.15000 to Rs.25 crores.

The present study covers the objectives of the study, hypothesis, period of the study, research methodology, scope and limitations of the study, and finally the study is divided into seven chapters. They are (1) Introduction (2) Review of Literature (3) Historical background of entrepreneurship development (4) Problems and prospects of backward
class entrepreneurs (5) Entrepreneurial profile of Nanded District (6) Analysis of entrepreneurship growth in Nanded District (7) Conclusion and suggestions.

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